DOCUMENT RESUME

ED 418 333 CE 076 320

TITLE	Employment, Training, and Literacy Enhancement Act of 1997. Report of the Committee on Education and the Workforce, House of Representatives, on H.R. 1385 Together with Additional and Dissenting Views [Including Cost Estimate of the Congressional Budget Office], 105th Congress, 1st Session.
INSTITUTION	Congress of the U.S., Washington, DC. House Committee on Education and the Workforce.
REPORT NO	House-R-105-93
PUB DATE	1997-05-08
NOTE	566p.
AVAILABLE FROM	U.S. Government Printing Office, Superintendent of Documents, Congressional Sales Office, Washington, DC 20402.
PUB TYPE	Legal/Legislative/Regulatory Materials (090)
EDRS PRICE	MF02/PC23 Plus Postage.
DESCRIPTORS	Accessibility (for Disabled); Compliance (Legal); Demonstration Programs; *Disabilities; Education Work Relationship; Educational Improvement; *Educational Legislation; Employment Problems; *Employment Programs; *Federal Legislation; Government School Relationship; *Job Training; *Literacy Education; Postsecondary Education; Secondary Education; Tech Prep; Technical Education; Vocational Education
IDENTIFIERS	Congress 105th; *Employment Training and Literacy Enhance Act 1997

ABSTRACT

This document contains the text of the Employment, Training, and Literacy Enhancement Act of 1997, as amended by committee, including the titles that cover the following: general provisions; employment and training programs for disadvantaged youth; federally administered programs; adult education programs; miscellaneous provisions; the State Human Resource Investment Council; the Wagner-Peyser Act; technical and conforming amendments; effective date and transition provisions; general provisions; vocational rehabilitation programs; research and training; training and demonstration projects; National Council on Disability; rights and advocacy; employment opportunities for individuals with disabilities; independent living services and centers for independent living; special demonstrations and training projects; the Helen Keller National Center Act; and effective date. The document includes section-by-section analysis of the amendments, additional and minority views, and cost estimates from the Congressional Budget Office. (KC)

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ED 418 333

105th Congress
1st Session

HOUSE OF REPRESENTATIVES

Report
105-93

EMPLOYMENT, TRAINING, AND LITERACY ENHANCEMENT ACT OF 1997

REPORT

OF THE

COMMITTEE ON EDUCATION AND THE WORKFORCE HOUSE OF REPRESENTATIVES

ON

H.R. 1385

TOGETHER WITH

ADDITIONAL AND DISSENTING VIEWS

[Including cost estimate of the Congressional Budget Office]

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MAY 8, 1997.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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105th Congress
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U.S. GOVERNMENT PRINTING OFFICE
40–434
WASHINGTON : 1997

105TH CONGRESS
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EMPLOYMENT, TRAINING, AND LITERACY ENHANCEMENT ACT OF 1997

MAY 8, 1997.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. GOODLING, from the Committee on Education and the Workforce, submitted the following

REPORT

together with

ADDITIONAL AND DISSENTING VIEWS

[To accompany H.R. 1385]

[Including cost estimate of the Congressional Budget Office]

The Committee on Education and the Workforce, to whom was referred the bill (H.R. 1385) to consolidate, coordinate, and improve employment, training, literacy, and vocational rehabilitation programs in the United States, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Employment, Training, and Literacy Enhancement Act of 1997".

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) DIVISIONS.—This Act is organized into two divisions as follows:
- (1) Division A—Employment, Training, and Literacy Programs.
- (2) Division B—Vocational Rehabilitation Programs.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Organization of Act into divisions; table of contents.

DIVISION A—EMPLOYMENT, TRAINING, AND LITERACY PROGRAMS

TITLE I—AMENDMENTS TO GENERAL PROVISIONS AND PROGRAM REQUIREMENTS

Subtitle A—General Provisions

Sec. 101. Statement of purpose.
Sec. 102. Authorization of appropriations.
Sec. 103. Definitions.

Subtitle B—State and Local Administrative Provisions

Sec. 111. State administrative provisions.
Sec. 112. Local administrative provisions.

Subtitle C—Program and Fiscal Provisions

CHAPTER 1—GENERAL PROVISIONS

Sec. 121. General program requirements.
Sec. 122. Benefits.
Sec. 123. Labor standards.
Sec. 124. Grievance procedure.
Sec. 125. Identification of additional imposed requirements.
Sec. 126. Authority of State legislature.
Sec. 127. Interstate agreements.

CHAPTER 2—PERFORMANCE ACCOUNTABILITY PROVISIONS

Sec. 131. Performance accountability provisions.

CHAPTER 3—OTHER PROVISIONS

Sec. 141. Prompt allocation of funds.
Sec. 142. Fiscal controls; sanctions.
Sec. 143. Reports; recordkeeping; and investigations.
Sec. 144. Administrative adjudication.
Sec. 145. Nondiscrimination.
Sec. 146. Judicial review.
Sec. 147. Administrative provisions.
Sec. 148. Presidential awards for outstanding private sector involvement in job training programs.
Sec. 149. Construction.
Sec. 150. Limitation on certain costs.

Subtitle D—Miscellaneous Provisions

Sec. 161. Criminal provisions.
Sec. 162. Reference.
Sec. 163. Repealers.

TITLE II—AMENDMENTS TO EMPLOYMENT AND TRAINING PROGRAMS FOR DISADVANTAGED YOUTH

Sec. 201. Adult training program.
Sec. 202. Summer youth employment and training program.
Sec. 203. Disadvantaged youth employment and training opportunities grants.

TITLE III—AMENDMENTS TO EMPLOYMENT AND TRAINING PROGRAMS FOR ADULTS

Sec. 301. Adult employment and training opportunities grants.

TITLE IV—AMENDMENTS TO FEDERALLY ADMINISTERED PROGRAMS

Subtitle A—Employment and Training Programs for Native Americans and Migrant and Seasonal Farmworkers

Sec. 401. Native American program.
Sec. 402. Migrant and seasonal farmworker program.

Subtitle B—Job Corps

Sec. 411. Statement of purpose.
Sec. 412. Individuals eligible for the Job Corps.
Sec. 413. Screening and selection of applicants; general provisions.
Sec. 414. Job Corps centers.
Sec. 415. Standards of conduct.
Sec. 416. Counseling and job placement.
Sec. 417. Experimental and developmental projects and coordination with other programs.

Subtitle C—National Activities

Sec. 421. Research, demonstration, evaluation, and capacity building.
Sec. 422. Nontraditional employment demonstration program.

Subtitle D—Repealers

Sec. 451. Repealers.

TITLE V—AMENDMENTS TO ADULT EDUCATION PROGRAMS

Sec. 501. Repeal of Jobs for Employable Dependent Individuals Incentive Bonus Program.
Sec. 502. Amendment to Adult Education Act.
Sec. 503. Repeal of National Literacy Act of 1991.
Sec. 504. Conforming amendments.

TITLE VI—MISCELLANEOUS PROVISIONS

Sec. 601. Repealers.
Sec. 602. Conforming amendments.

TITLE VII—AMENDMENTS TO STATE HUMAN RESOURCE INVESTMENT COUNCIL

Sec. 701. Amendments to Council.
Sec. 702. Transfer of Council.
Sec. 703. Conforming amendments.

TITLE VIII—AMENDMENTS TO WAGNER-PEYSER ACT

Sec. 801. Definitions.
Sec. 802. Functions.
Sec. 803. Designation of State agencies.
Sec. 804. Appropriations.
Sec. 805. Disposition of allotted funds.
Sec. 806. State plans.
Sec. 807. Federal advisory council.
Sec. 808. Regulations.
Sec. 809. Effective date.

TITLE IX—TECHNICAL AND CONFORMING AMENDMENTS

Subtitle A—Amendments to the Job Training Partnership Act

Sec. 901. Short title; table of contents.
Sec. 902. Definitions.
Sec. 903. Amendments to title I.
Sec. 904. Amendments to title IV.
Sec. 905. Amendments to title VI.
Sec. 906. Clarification.

Subtitle B—Amendments to Other Acts

Sec. 911. Amendments to other Acts.

TITLE X—EFFECTIVE DATE AND TRANSITION PROVISIONS

Sec. 1001. Effective date.
Sec. 1002. Transition provisions.

DIVISION B—VOCATIONAL REHABILITATION PROGRAMS

TITLE XXI—AMENDMENTS TO GENERAL PROVISIONS

Sec. 2101. Rehabilitation Services Administration.
Sec. 2102. Definitions.
Sec. 2103. Reports.

TITLE XXII—AMENDMENTS TO VOCATIONAL REHABILITATION SERVICES

Subtitle A—General Provisions

Sec. 2201. Declaration of policy; authorization of appropriations.
Sec. 2202. State plans.
Sec. 2203. Scope of vocational rehabilitation services.
Sec. 2204. State Rehabilitation Advisory Council.
Sec. 2205. Evaluation standards and performance indicators.
Sec. 2206. Monitoring and review.

Subtitle B—Basic Vocational Rehabilitation Services

Sec. 2211. State allotments.
Sec. 2212. Payments to States.
Sec. 2213. Client assistance program.

TITLE XXIII—AMENDMENTS TO RESEARCH AND TRAINING

Sec. 2221. Authorization of appropriations.
Sec. 2222. National Institute on Disability and Rehabilitation Research.

TITLE XXIV—AMENDMENTS TO TRAINING AND DEMONSTRATION PROJECTS

Subtitle A—Training Programs and Community Rehabilitation Programs

Sec. 2231. Training.
Sec. 2232. Repealers.
Sec. 2233. Authorization of appropriations.

Subtitle B—Special Projects and Supplementary Services

Sec. 2241. Special demonstration programs.
Sec. 2242. Migratory workers.
Sec. 2243. Repealers.
Sec. 2244. Special recreational programs.

TITLE XXV—AMENDMENTS TO NATIONAL COUNCIL ON DISABILITY

Sec. 2251. Authorization of appropriations.

TITLE XXVI—AMENDMENTS TO RIGHTS AND ADVOCACY

Sec. 2261. Employment of individuals with disabilities.

Sec. 2262. Architectural and Transportation Barriers Compliance Board.
Sec. 2263. Protection and advocacy of individual rights.

TITLE XXVII—AMENDMENTS TO EMPLOYMENT OPPORTUNITIES FOR INDIVIDUALS WITH DISABILITIES

Sec. 2271. Authorization of appropriations.
Sec. 2272. Repealers.

TITLE XXVIII—AMENDMENTS TO INDEPENDENT LIVING SERVICES AND CENTERS FOR INDEPENDENT LIVING

Sec. 2281. Authorization of appropriations.
Sec. 2282. Program authorization for centers for independent living.

TITLE XXIX—AMENDMENTS TO SPECIAL DEMONSTRATIONS AND TRAINING PROJECTS

Sec. 2291. Authorization of appropriations.
Sec. 2292. Demonstration activities.
Sec. 2293. Training activities.

TITLE XXX—AMENDMENTS TO THE HELEN KELLER NATIONAL CENTER ACT

Sec. 2295. Authorization of appropriations.

TITLE XXXI—EFFECTIVE DATE

Sec. 2297. Effective date.

DIVISION A—EMPLOYMENT, TRAINING, AND LITERACY PROGRAMS

TITLE I—AMENDMENTS TO GENERAL PROVISIONS AND PROGRAM REQUIREMENTS

Subtitle A—General Provisions

SEC. 101. STATEMENT OF PURPOSE.

Section 2 of the Job Training Partnership Act (29 U.S.C. 1501) is amended to read as follows:

"SEC. 2. STATEMENT OF PURPOSE.

"The purpose of this Act is to transform the current array of Federal employment, training, and adult education and literacy programs from a collection of fragmented and duplicative categorical programs into high quality, coherent, and accountable State and local systems that are designed—

"(1) to provide high quality training for today and for the 21st century;

"(2) to empower individuals to choose occupations and training programs, based on accurate and up-to-date information, that will develop more fully their academic, occupational, and literacy skills, leading to productive employment and economic self-sufficiency, and reduction in welfare dependency;

"(3) to provide resources and authority to States and local communities and increase ease of access to high quality employment, training, and literacy programs;

"(4) to provide adults with the adult education services they require to participate fully in society;

"(5) to meet the needs of employers in the United States to be competitive; and

"(6) to ensure an adequate return on the investment of funds in employment, training, and literacy programs through strong program accountability.".

SEC. 102. AUTHORIZATION OF APPROPRIATIONS.

Section 3 of the Job Training Partnership Act (29 U.S.C. 1502) is amended to read as follows:

"SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—There are authorized to be appropriated the following amounts for the following purposes (in addition to amounts otherwise available for such purposes):

"(1) TITLE II.—Such sums as may be necessary for each of the fiscal years 1999 through 2003 to carry out title II.

"(2) TITLE III.—(A) Such sums as may be necessary for each of the fiscal years 1999 through 2003 to carry out section 312(a)(1).

"(B) Such sums as may be necessary for each of the fiscal years 1999 through 2003 to carry out section 312(a)(2).

"(3) Parts A, C, D, and E of title IV.—Subject to subsection (b), such sums as may be necessary for each of the fiscal years 1999 through 2003 to carry out parts A, C, D, and E of title IV.

"(4) Part B of title IV.—Such sums as may be necessary for each of the fiscal years 1999 through 2003 to carry out part B of title IV.

"(b) Reservations.—Of the amount appropriated under subsection (a)(3) for a fiscal year—

"(1) not less than $70,000,000 shall be reserved for carrying out section 401;

"(2) not less than $70,000,000 shall be reserved for carrying out section 402; and

"(3) the remainder shall be reserved for carrying out parts C, D, and E of title IV.

"(c) Reallotment.—

"(1) In general.—The Secretary of Labor shall, in accordance with this subsection, reallot to eligible States amounts appropriated for programs authorized under titles II and title III of this Act that are available for reallotment.

"(2) Amount.—The amount available for reallotment is equal to the amount by which the unobligated balance of the State allotment under title II or title III, respectively, at the end of the program year prior to the program year for which the determination under this paragraph is made exceeds 15 percent of such allotment for the prior program year.

"(3) Reallotment.—In making reallotments to eligible States of amounts available pursuant to paragraph (2) for a program year, the Secretary shall allot to each eligible State an amount based on the relative amount allotted to such State under title II or title III, respectively, for the prior program year as compared to the total amount allotted to all eligible States under title II or title III, respectively, for such prior program year.

"(4) Eligibility.—For purposes of this subsection, an eligible State means a State which has obligated at least 85 percent of its allotments under title II or title III, respectively, for the program year prior to the program year for which the determination under this subsection is made.

"(5) Procedures.—The Governor of each State shall prescribe uniform procedures for the obligation of funds by workforce development areas within the State in order to avoid the requirement that funds be made available for reallotment under this subsection. The Governor shall further prescribe equitable procedures for making funds available from the State and workforce development areas in the event that a State is required to make funds available for reallotment under this paragraph.".

SEC. 103. DEFINITIONS.

Section 4 of the Job Training Partnership Act (29 U.S.C. 1503) is amended—

(1) in paragraph (1) to read as follows:

"(1) Adult education and literacy activities.—The term 'adult education and literacy activities' means the activities authorized under section 314 of the Adult Education and Family Literacy Act.";

(2) by striking paragraph (2);

(3) by inserting after paragraph (1) the following:

"(2) Appropriate Secretary.—The term 'appropriate Secretary' means—

"(A) the Secretary of Labor, with respect to programs authorized under titles II, III, and IV of this Act; and

"(B) the Secretary of Education, with respect to programs authorized under the Adult Education and Family Literacy Act.";

(4) in paragraph (3), by striking "under parts A and C of title II" and inserting "under title II and title III";

(5) in paragraph (4) to read as follows:

"(4) Chief elected official.—The term 'chief elected official' means the chief elected executive officer of a unit of general local government in a workforce development area.";

(6) in paragraph (5) to read as follows:

"(5) Community-based organization.—The term 'community-based organization' means a private nonprofit organization that is representative of a community or a significant segment of a community and that has demonstrated the ability, or that can demonstrate a capacity, to effectively administer a program under this Act.";

(7) by striking paragraph (6);

(8) by inserting after paragraph (5) the following:

"(6) DISLOCATED WORKER.—The term 'dislocated worker' means an individual who—

"(A)(i) has been terminated or laid off, or who has received a notice of termination or layoff, from employment;

"(ii) is eligible for or has exhausted entitlement to unemployment compensation; and

"(iii) is unlikely to return to a previous industry or occupation;

"(B) has been terminated or laid off, or has received a notice of termination or layoff, from employment as a result of any permanent closure of, or and substantial layoff at, a plant, facility, or enterprise;

"(C) was self-employed (including a farmer and a rancher) but is unemployed as a result of general economic conditions in the community in which the individual resides or because of natural disasters;

"(D) is a displaced homemaker; or

"(E) has become unemployed as a result of a Federal action that limits the use of, or restricts access to, a marine natural resource.";

(9) in paragraph (10) to read as follows:

"(10) INDIVIDUAL WITH A DISABILITY.—(A) The term 'individual with a disability' means an individual with any disability (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)).

"(B) The term 'individuals with disabilities' means more than one individual with a disability.";

(10) by striking paragraph (11);

(11) in paragraph (14), by striking "section 521(22) of the Carl D. Perkins Vocational Education Act" and inserting "section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801)";

(12) in paragraph (18), by striking all after "institution of higher education" and inserting "(as such term is defined in section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088)) that continues to meet the eligibility and certification requirements under title IV of such Act (20 U.S.C. 1070 et seq.).";

(13) by striking paragraph (19);

(14) in paragraph (21) to read as follows:

"(21) SECRETARIES.—The term 'Secretaries' means the Secretary of Labor and the Secretary of Education.";

(15) in paragraph (22) to read as follows:

"(22) STATE.—The term 'State' means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.";

(16) in paragraph (24) to read as follows:

"(24) SUPPORTIVE SERVICES.—The term 'supportive services' means services such as transportation, child care, dependent care, and needs-based payments, that are necessary to enable an individual to participate in programs authorized under title II and title III of this Act, consistent with the provisions of such titles.";

(17) in paragraph (27) to read as follows:

"(27) VETERAN.—The term 'veteran' has the meaning given such term in section 101(2) of title 38, United States Code.";

(18) by striking paragraph (35);

(19) by striking paragraph (36);

(20) in paragraph (37), by striking "post-termination services authorized under sections 204(c)(4) and 264(d)(5) and follow up services authorized under section 253(d)" and inserting "follow up services authorized under this Act"; and

(21) by adding at the end the following:

"(41) EMPLOYMENT, TRAINING AND LITERACY PROGRAMS.—The term 'employment, training and literacy programs' means programs authorized under titles II and III of this Act and the Adult Education and Family Literacy Act.

"(42) ENGLISH LITERACY PROGRAM.—The term 'English literacy program' means a program of instruction designed to help individuals of limited English proficiency achieve full competence in the English language.

"(43) FAMILY LITERACY SERVICES.—The term 'family literacy services' means services that are of sufficient intensity in terms of hours, and of sufficient duration, to make sustainable changes in a family and that integrate all of the following activities:

"(A) Interactive literacy activities between parents and their children.

"(B) Training for parents on how to be the primary teacher for their children and full partners in the education of their children.

"(C) Parent literacy training that leads to economic self-sufficiency.

"(D) An age-appropriate education to prepare children for success in school and life experiences.

"(44) Full service eligible providers.—The term 'full service eligible provider' means a provider designated under section 123(c).

"(45) Human resource programs.—The term 'human resource programs' means programs identified under section 103.

"(46) Individual of limited English proficiency.—The term 'individual of limited English proficiency' means an individual—

"(A) who has limited ability in speaking, reading, or writing the English language; and

"(B)(i) whose native language is a language other than English; or

"(ii) who lives in a family or community environment where a language other that English is the dominant language.

"(47) Literacy.—The term 'literacy' used with respect to an individual, means the ability of the individual to speak, read, and write English, and compute and solve problems, at levels of proficiency necessary—

"(A) to function on the job, in the family of the individual, and in society;

"(B) to achieve the goals of the individual; and

"(C) to develop the knowledge potential of the individual.

"(48) Local benchmarks.—The term 'local benchmarks' means the expected level of performance of a local workforce development area established pursuant to section 153(b).

"(49) Local board.—The term 'local board' means a local workforce development board established under section 122.

"(50) Local workforce development area.—The term 'local workforce development area' means an area designated under section 121(a).

"(51) On-the-job training.—The term 'on-the-job training' means training by an employer that is provided to a paid participant while engaged in productive work in a job that—

"(A) provides knowledge or skills essential to the full and adequate performance of the job;

"(B) provides reimbursement to employers of up to 50 percent of the wage rate of the participant, for the extraordinary costs of providing the training and additional supervision related to the training; and

"(C) is limited in duration as appropriate to the occupation for which the participant is being trained, taking into account the content of the training, the prior work experience of the participant, and the service strategy of the participant, as appropriate.

"(52) Outlying area.—The term 'outlying area' means the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

"(53) Rapid response assistance.—The term 'rapid response assistance' means assistance provided by a State, or by an entity designated by a State, with funds provided by the State under section 313(a)(2) in the case of a permanent closure or mass layoff at a plant, facility, or enterprise, or a natural or other disaster, that results in mass job dislocation, in order to assist dislocated workers in obtaining reemployment as soon as possible, with services including—

"(A) the establishment of onsite contact with employers and employee representatives—

"(i) immediately after the State is notified of a current or projected permanent closure or mass layoff; or

"(ii) in the case of a disaster, immediately after the State is made aware of mass job dislocation as a result of such disaster;

"(B) the provision of information and access to available employment and training activities;

"(C) assistance in establishing voluntary labor management committees with the ability to devise and implement a strategy for assessing the employment and training needs of dislocated workers and obtaining services to meet those needs;

"(D) the provision of emergency assistance adapted to the particular closure, layoff, or disaster; and

"(E) the provision of assistance to the local community in developing a coordinated response and in obtaining access to State economic development assistance.

"(54) Representatives of employees.—For purposes of section 122, the term 'representatives of employees' means—

"(A) individuals who have been elected by organizations, associations, or a network of similar institutions to represent the economic interests of employees at a significant segment of workplaces located in, or adjacent to, the local workforce development area; or

"(B) individuals from organizations, associations, or a network of similar institutions, with expertise to represent, or experience representing, the interests of employees with respect to the job training priorities in the local workforce development area.

"(55) SKILL GRANT.—The term 'skill grant' means a voucher or credit issued to a participant under section 314(c)(6)(A) for the purchase of training services from eligible providers of such services.

"(56) STATE ADJUSTED BENCHMARKS.—The term 'state adjusted benchmarks' means a state's expected levels of performance established pursuant to 153(a).

"(57) STATE BENCHMARK.—The term 'State benchmark' means the benchmarks established by the state pursuant to section 152(a).

"(58) STATEWIDE SYSTEM.—The term 'statewide system' means a statewide employment and training and literacy system that includes programs authorized under titles II and III of this Act and the Adult Education and Family Literacy Act.".

Subtitle B—State and Local Administrative Provisions

SEC. 111. STATE ADMINISTRATIVE PROVISIONS.

Part A of title I of the Job Training Partnership Act (29 U.S.C. 1511 et seq.) is amended to read as follows:

"PART A—STATE ADMINISTRATIVE PROVISIONS

"SEC. 101. STATE PLAN.

"(a) IN GENERAL.—For a State to be eligible to receive an allotment under title II or III, the Adult Education and Family Literacy Act, or section 6 of the Wagner-Peyser Act (29 U.S.C. 49e), the Governor of the State shall submit to Secretaries, for consideration by the appropriate Secretary, a single comprehensive State plan that provides a 3-year strategy and policy guidance with respect to the Statewide system, and programs authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), operated in the State. Such plan shall meet the requirements of this section and section 102.

"(b) CONTENTS.—The State plan shall include the following:

"(1) A description of the collaborative process described in section 102, including a description of the manner in which the individuals and entities involved in such process collaborated in the development of the plan and will continue to collaborate in carrying out the functions described in section 102(c).

"(2) Information describing—

"(A) the needs of the State with regard to current and projected demands for workers, by occupation;

"(B) the skills and economic development needs of the State; and

"(C) the type and availability of employment and training services in the State.

"(3)(A) A description of the State long-term goals for the Statewide system.

"(B) An identification of the benchmarks that the State will use to measure its progress toward meeting the goals described in subparagraph (A) based on the core indicators of performance described in section 154.

"(C) A description of how the goals and benchmarks will ensure continuous improvement of the Statewide system and make such system relevant and responsive to labor market, skill, and literacy needs at the State and local levels.

"(4) An identification of local workforce development areas in the State, including a description of the process used for the designation of such areas.

"(5) An identification of criteria to be used by local chief elected officials for the appointment of members of local workforce development boards, consistent with the provisions of section 122.

"(6)(A) A description of measures that will be taken by the State to assure coordination and consistency and avoid duplication among employment, training, and literacy programs receiving assistance under this Act, and, at a minimum, programs carried out under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), the Rehabilitation Act of 1973 (20 U.S.C. 701 et seq.), title I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and programs carried out by the Veterans' Employment and Training Service with funds received under section 4103 of title 38, United States Code, including a description of common data collection and reporting processes.

"(B) Information identifying how any funds that a State receives through the allotments made under this Act will be leveraged with other private and public resources (including funds made available to the State under the Wagner-Peyser Act (29 U.S.C. 49 et seq.)) and other human resource programs to maximize the effectiveness of such resources, and expand the participation of business, industry, employees, and individuals in the Statewide system.

"(7) A description of the process used by the State to provide an opportunity for public comment, and input into development of the plan, prior to submission of the plan.

"(8) A description of the within-State allocation formulas developed through the collaborative process pursuant to sections 204(b)(2) and 313(b), through which the State will distribute funds to local workforce development areas, including—

"(A) a description of how the individuals and entities involved in the collaborative process, including representatives of the State legislature, determined the factors for such formulas;

"(B) a description of how such individuals and entities consulted with chief elected officials in local workforce development areas throughout the State in determining such formulas; and

"(C) assurances that such formulas will result in funds being distributed equitably throughout the State, that no one factor in such formulas receive disproportionate weighting, and that such formulas protect local workforce development areas from significant shifts in funding from year to year.

"(9) With respect to employment and training programs for disadvantaged youth authorized under title II, information describing the State's strategy for providing comprehensive services to disadvantaged youth, particularly those youth who are recognized as having significant barriers to employment, and a description of how the State intends to use its State reserve funds (described in section 204(a)) to serve areas in the State with high concentrations of disadvantaged youth.

"(10) With respect to employment and training programs for adults and dislocated workers authorized under title III, information—

"(A) describing the employment and training activities that will be carried out with the funds received by the State through the allotments made under section 312, including a description of how the State will provide rapid response assistance to dislocated workers from funds reserved under section 313(a)(2);

"(B) describing the strategy of the State (including the timeframe for such strategy) for development of a fully operational statewide full service employment and training delivery system as described in section 123, including the steps that the State will take over the 3 years covered by the plan, working with local workforce development boards, to provide information to individuals through the full service employment and training delivery system on the quality of employment, training, and literacy services;

"(C) describing the procedures the State will use, working with local workforce development boards, to identify eligible providers of training services described in section 314(c), as required under section 124; and

"(D) describing how the State will serve the employment and training needs of dislocated workers (including displaced homemakers), economically disadvantaged individuals (including welfare recipients), individuals training for nontraditional employment, and other individuals with multiple barriers to employment (including older workers and individuals with disabilities).

"(11) With respect to adult education and literacy activities authorized under part A of the Adult Education and Family Literacy Act—

"(A) a description of the adult education and literacy activities that will be carried out with any funds received such part;

"(B) a description of the assessment that will be made to determine the adult education and family literacy needs of the State;

"(C) a description of how such activities will be integrated with other adult education, career development, and employment and training activities in the State or outlying area of the eligible agency;

"(D) a description of how the eligible agency annually will evaluate the effectiveness of the adult education and literacy activities that are carried out with any funds received under such part;

"(E) an assurance that any funds received under such part will not be expended for any purpose other than the activities described in sections 313 and 314 of the Adult Education and Family Literacy Act;

"(F) an assurance that the eligible agency will expend any funds received under such part only in a manner consistent with the fiscal requirements in section 315 of such Act;

"(G) an assurance that the eligible agency will award grants under such part to providers who offer flexible schedules and necessary support services (such as child care and transportation) to enable individuals, including individuals with disabilities or other special needs to participate in adult education and literacy activities; and

"(H) a description of the steps the State will take to ensure direct and equitable access, as stipulated in section 313(c)(2) of the Adult Education and Family Literacy Act.

"(12) With respect to programs authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), the plan information required under section 8 of such Act.

"(c) PLAN SUBMISSION.—A State plan submitted to the Secretaries under this section shall be approved by the appropriate Secretary unless such Secretary determines that such plan does not comply with the specific provisions of this Act.

"(d) SPECIAL RULES.—

"(1) GOVERNOR.—The Governor of a State shall have final authority to determine the content of the portion of the State plan described in paragraphs (1) through (10) and paragraph (12) of subsection (b).

"(2) ELIGIBLE AGENCY.—The eligible agency for adult education and literacy in a State shall have final authority to determine the content of the portion of the State plan described in paragraph (11) of subsection (b).

"(e) MODIFICATIONS TO PLAN.—A State may submit modifications to a State plan in accordance with the requirements of this section and section 102 as necessary during the 3-year period covered by the plan.

"SEC. 102. COLLABORATIVE PROCESS.

"(a) IN GENERAL.—A State shall use a collaborative process in the development of the State plan described in section 101 and in carrying out the functions described under subsection (c). Such collaborative process shall be carried out by, at a minimum, the following individuals and entities:

"(1) the Governor;

"(2) representatives, appointed by the Governor, of—

"(A) business and industry;

"(B) local chief elected officials (representing both cities and counties, where appropriate);

"(C) local educational agencies (including adult education and literacy providers);

"(D) postsecondary institutions (including community and technical colleges);

"(E) organizations representing individuals served by programs authorized under this Act (including community-based organizations);

"(F) organizations serving individuals participating in programs authorized under this Act and the Adult Education and Family Literacy Act;

"(G) parents; and

"(H) employees (which may include labor);

"(3) the lead State agency official or officials for—

"(A) employment security;

"(B) job training;

"(C) the State educational agency;

"(D) the eligible agency for vocational education;

"(E) the eligible agency for adult education and literacy;

"(F) the State agency responsible for postsecondary education;

"(G) the State agency responsible for welfare; and

"(H) the State agency responsible for vocational rehabilitation, and where applicable, the State agency providing vocational rehabilitation program activities for the blind;

"(4) such other State agency officials, including officials responsible for economic development, as the Governor may designate;

"(5) representatives of the State legislature; and

"(6) the representative of the Veterans' Employment and Training Service assigned to the State under section 4103 of title 38, United States Code.

"(b) CLARIFICATION.—For purposes of complying with subsection (a), a State may use any State collaborative process (including a council, board, State Human Resource Investment Council established under section 103, or a similar entity) that meets or is conformed to meet the requirements of such subsection.

"(c) ADDITIONAL FUNCTIONS OF THE COLLABORATIVE PROCESS.—In addition to development of the State plan, the individuals and entities described in subsection (a) shall collaborate in—

"(1) the designation of local workforce areas as required under section 121;

"(2) the development of allocation formulas for the distribution of funds to local workforce development areas for programs authorized under title II and title III;

"(3) the development of the State goals and benchmarks as required under part C of this title, including the continued updating of such goals and benchmarks;

"(4) the provision of management guidance and review for all programs in the State, including review of the operation of programs conducted in each local workforce development area, and the availability, responsiveness, and adequacy of State services, and make recommendations to the Governor, the State legislature, appropriate chief elected officials, local workforce development boards, and service providers throughout the State regarding the findings of such review;

"(5) the continued development of linkages between employment, training, literacy, and other human resource and workforce preparation programs in the State;

"(6) comment at least once annually on the measures taken pursuant to section 113(b)(14) of the Carl D. Perkins Vocational Education Act; and

"(7) review plans of all State agencies providing employment, training, literacy, and related services, and provide comments and recommendations to the Governor, the State legislature, the State agencies, and the appropriate federal agencies on the relevancy and effectiveness of employment, training, literacy, and related delivery systems in the State.".

SEC. 112. LOCAL ADMINISTRATIVE PROVISIONS.

Part B of title I of the Job Training Partnership Act (29 U.S.C. 1531 et seq.) is amended by striking sections 121 through 123 and inserting the following:

"SEC. 121. LOCAL WORKFORCE DEVELOPMENT AREAS.

"(a) IN GENERAL.—Except as provided in subsection (b), a State that desires to receive a grant under title II or title III shall, through the collaborative process established under section 102 and after consultation with local chief elected officials, and after consideration of comments received through the public comment process as described in section 101(b)(7) of the State plan, designate local workforce development areas within the State that are consistent with labor market areas, or a substantial portion of a labor market area, and that take into consideration the following:

"(1) Units of general local government.

"(2) Geographic areas served by local educational agencies and intermediate educational agencies.

"(3) Geographic areas served by postsecondary institutions and area vocational education schools.

"(4) Service delivery areas established under section 101 of this Act (as such section was in effect on the day before the date of the enactment of the Employment, Training, and Literacy Enhancement Act of 1997).

"(5) The distance that individuals will need to travel to receive services.

"(b) SMALL STATES.—Any State determined to be eligible to receive a minimum allotment under section 203(b)(2)(D) or paragraph (1)(B)(iv) or paragraph (2)(B)(iv) of section 312(b) may designate itself, through the collaborative process established pursuant to section 102, and after consultation with local chief elected officials, and consideration of comments received through the public comment process described in section 101(b)(7) of the State plan, as a single State workforce development area for purposes of this Act.

"SEC. 122. LOCAL WORKFORCE DEVELOPMENT BOARDS.

"(a) ESTABLISHMENT.—There shall be established in each local workforce development area of a State, and certified by the Governor of the State, a local workforce development board (hereinafter referred to as the 'local board'), reflecting business and community interests in employment, training, and other workforce preparation activities.

"(b) MEMBERSHIP.—

"(1) STATE CRITERIA.—The Governor of the State, through the collaborative process described in section 102, shall establish criteria for use by local chief elected officials in the local workforce development areas for appointment of members of the local boards in such local areas in accordance with the requirements of paragraph (2).

"(2) COMPOSITION.—Such criteria shall require at a minimum, that the membership of each local board consist of—

"(A) a majority of members who are representatives of business and industry in the local workforce development area, who are owners of businesses, chief executives or chief operating officers of private business, and other business executives with optimum policymaking authority in local businesses, appointed from among individuals nominated by local business organizations and trade associations;

"(B) representatives of local educational entities, including representatives of local educational agencies, local school boards, postsecondary educational institutions (including representatives of community colleges), and representatives of providers of adult education and literacy services, where such schools, institutions, educators, or providers, as appropriate, exist, selected from among individuals nominated by regional or local educational agencies, institutions, or organizations representing such individuals or entities;

"(C) representatives of community-based organizations (including, as appropriate, a community-based organization that provides direct job training and placement services to individuals with disabilities), employees (which may include labor), and other representatives of the public who may include program participants, parents, individuals with disabilities, older workers, veterans, or organizations serving such individuals, as nominated to the board by regional or local agencies, institutions, or organizations representing such individuals or entities; and

"(D) representatives of local welfare and economic development agencies.

"(3) CHAIRPERSON.—The local board shall elect a chairperson from among the members of the board.

"(c) APPOINTMENT AND CERTIFICATION OF BOARD.—

"(1) APPOINTMENT OF BOARD MEMBERS AND ASSIGNMENT OF RESPONSIBILITIES.—

"(A) IN GENERAL.—The chief elected official in a local workforce development area is authorized to appoint the members of the local board for such area, in accordance with the State criteria established under subsection (b).

"(B) MULTIPLE UNITS OF LOCAL GOVERNMENT IN AREA.—

"(i) IN GENERAL.—In a case in which a local workforce development area includes more than 1 unit of general local government, the chief elected officials of such units may execute an agreement that specifies the respective roles of the individual chief elected officials—

"(I) in the appointment of the members of the local board from the individuals nominated or recommended to be such members in accordance with the criteria established under subsection (b); and

"(II) in carrying out any other responsibilities assigned to such officials.

"(ii) LACK OF AGREEMENT.—If, after a reasonable effort, the chief elected officials are unable to reach agreement as provided under clause (i), the Governor may appoint the members of the local board from individuals so nominated or recommended.

"(2) CERTIFICATION.—

"(A) IN GENERAL.—The Governor is authorized to biennially certify 1 local board for each local workforce development area in the State.

"(B) CRITERIA.—Such certification shall be based on factors including the criteria established under subsection (b) and, for a second or subsequent certification, the extent to which the local board has ensured that employment and training activities and disadvantaged youth activities carried out in the local workforce development area have met expected levels of performance with respect to the local benchmarks negotiated pursuant to subsection (d)(6)(A).

"(C) FAILURE TO ACHIEVE CERTIFICATION.—Failure of a local board to achieve certification shall result in reappointment and certification of another local board for the local workforce development area pursuant to the process described in paragraph (1) and this paragraph.

"(3) DECERTIFICATION.—

"(A) FISCAL NONCOMPLIANCE.—Notwithstanding paragraph (2), the Governor may decertify a local board if it is determined as a result of financial and compliance audits that there is a substantial violation of a specific requirement under this Act and corrective action has not been taken, in accordance with section 164. If the Governor decertifies a local board for a local workforce development area under this subparagraph, the Governor may require that a new local board be appointed and certified for the local workforce development area pursuant to a reorganization plan developed by the Governor under section 164(b)(1) and in accordance with the criteria established under subsection (b).

"(B) NONPERFORMANCE.—Notwithstanding paragraph (2), the Governor may decertify a local board if a local workforce development area fails to meet the local benchmarks established pursuant to section 153(b) for such local area for two consecutive program years (in accordance with section 156(b)(2)). If the Governor decertifies a local board for a local workforce development area under this subparagraph, the Governor may require that a new local board be appointed and certified for the local area pursuant to a reorganization plan developed by the Governor under section 156(b)(2) and in accordance with the criteria established under subsection (b).

"(4) SINGLE STATE AREA.—Notwithstanding subsection (b) and paragraphs (1) and (2), if a State described in section 121(b) indicates in the State plan that the State will be treated as a local workforce development area for purposes of the application of this Act, the Governor may designate the individuals and entities involved in the collaborative process described in section 105 to carry out the functions described in subsection (d).

"(d) FUNCTIONS OF LOCAL BOARD.—The functions of the local board shall include the following:

"(1) LOCAL PLAN.—

"(A) IN GENERAL.—Each local board shall develop and submit to the Governor a comprehensive 3-year strategic local plan. The local plan shall be consistent with the State goals and State plan described in section 101.

"(B) CONTENTS.—The local plan shall include—

"(i) an identification of the workforce development needs of local industries, job seekers, and workers;

"(ii) a description of the disadvantaged youth activities and the employment and training activities for adults and dislocated workers to be carried out in the local workforce development area as required under titles II and III, that, with activities authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), will contribute to the coherent delivery of employment, training and workforce preparation activities in the local area;

"(iii) a description of the local benchmarks negotiated with the Governor pursuant to paragraph (6)(A), to be used by the local board for measuring the performance of the local administrative entity (where appropriate), eligible providers of services authorized under titles II and III, and the performance of the full service employment and training delivery system in the local workforce development area;

"(iv) a description of the local full service employment and training delivery system to be established or designated in the local workforce development area, including—

"(I) a description of the process negotiated with the Governor pursuant to paragraph (6)(B) that the local board will use to designate or certify full service eligible providers in the local workforce development area, which ensures that the most effective and efficient providers will be chosen;

"(II) a description of how the local board will ensure the continuous improvement of such full service eligible providers and that such providers will continue to meet the labor market needs of local employers and participants; and

"(III) an identification of the roles of individual employment, training, and other human resources programs, as determined appropriate, including programs authorized by the Wagner-Peyser Act (20 U.S.C. 49 et seq.), in carrying out the functions of the full service employment and training delivery system, including a description of the funding sources to be used in the operation of the full service employment and training system;

"(v) an identification of the administrative entity designated by the local board in accordance with paragraph (5);

"(vi) a description of the steps the local board will take to work with local educational agencies, postsecondary educational institutions (including community colleges, where applicable), vocational educators, providers of adult education and literacy services, and other representatives of the educational community to address local employment, education, and training needs, including a description of linkages established with such individuals and entities to enhance the provision of services, including supportive services, and avoid duplication;

"(vii) a description of the process that will be used by the local board to fully involve representatives of the local community, including community-based organizations with experience in serving disadvantaged youth, the local education community (including vocational educators and teachers), parents, youth, local law enforcement agencies, and representatives of business and employees (which may include labor) in the development and implementation of disadvantaged youth programs in the local workforce development area, including a description of the process used (involving the individuals and organizations described in this clause) to ensure that the most effective and efficient providers are chosen to carry out the activities authorized under title II; and

"(viii) such other information as the Governor may require.

"(C) CONSULTATION.—The local board shall—

"(i) consult with the chief elected official in the appropriate local workforce development area in the development of the local plan; and

"(ii) provide the chief elected official with a copy of the local plan.

"(D) APPROVAL.—

"(i) IN GENERAL.—The chief elected official shall—

"(I) approve the local plan; or

"(II) reject the local plan and make recommendations to the local board on how to improve the local plan.

"(ii) SUBMISSION.—If, after a reasonable effort, the local board is unable to obtain the approval of the chief elected official for the local plan, the local board may submit the plan to the Governor for approval under subparagraph (A), and shall submit the recommendations of the chief elected official to the Governor along with the plan, consistent with subsection (e)(2).

"(2) SELECTION OF PROVIDERS.—

"(A) SELECTION OF FULL SERVICE PROVIDERS.—Consistent with section 123 and the agreement negotiated with the Governor under paragraph (6)(B)(i), the local board is authorized to designate or certify full service eligible providers, and to terminate for cause, the eligibility of such providers.

"(B) SELECTION OF DISADVANTAGED YOUTH PROVIDERS.—Consistent with section 207, the local board is authorized to award grants on a competitive basis to eligible providers of disadvantaged youth activities in the local workforce development area.

"(3) IDENTIFICATION OF ELIGIBLE PROVIDERS OF TRAINING SERVICES.—Consistent with section 124, the local board is authorized to work in partnership with the Governor concerning the identification of eligible providers of training services described in section 314(c) in the local workforce development area.

"(4) BUDGET AND PROGRAM OVERSIGHT.—

"(A) BUDGETING.—

"(i) IN GENERAL.—The local workforce development board shall develop a budget for the purpose of carrying out local programs established under titles II and III and section 123.

"(ii) APPROVAL OF BUDGET.—Such budget shall be subject to the approval of the chief elected official or officials in the local workforce development area.

"(B) PROGRAM OVERSIGHT.—The local workforce development board, in partnership with the chief elected official or officials in the local workforce development area, shall conduct oversight of the programs established under titles II and III and section 123.

"(5) ADMINISTRATION.—

"(A) DESIGNATION OF ADMINISTRATIVE ENTITY.—

"(i) IN GENERAL.—The local workforce development board may designate itself as the administrative entity for receipt and disbursement of funds made available for carrying out programs authorized under title II and title III of this Act, or the local board may designate an administrative entity (which may be the State through a mutual agreement between the local board and the State), for the purpose of receipt and disbursement of such funds.

"(ii) ADDITIONAL FISCAL RESPONSIBILITIES.—Each administrative entity shall be responsible for the distribution of funds and shall have responsibility to take action against its subcontractors, subgrantees, and other recipients to eliminate abuses in the programs being carried out in the local workforce development area and to prevent any misuse of funds by subcontractors, subgrantees, and other recipients.

"(B) STAFF; GRANTS AND OTHER CONTRIBUTIONS.—The local board may employ its own staff, independent of local programs and service providers, and may solicit or accept grants and contributions from sources other than from this Act.

"(C) PROHIBITION ON DIRECT PROVISION OF SERVICES.—

"(i) IN GENERAL.—Except as provided in clause (ii), a local board or employees of such board may not directly provide services under programs established under this Act.

"(ii) WAIVER.—The Governor of the State in which the local board is located may grant to the local board a written waiver of the prohibition under clause (i) where necessary to improve performance or to provide a full array of services in the local area as may be particularly necessary in rural areas.

"(D) CONFLICT OF INTEREST.—A member of a local board may not—

"(i) vote on a matter under consideration by the local board—

"(I) regarding the provision of services by such member (or by an organization that such member represents); or

"(II) that would provide direct financial benefit to such member or the immediate family of such member; or

"(ii) engage in any other activity determined by the Governor to constitute a conflict of interest.

"(6) NEGOTIATIONS.—

"(A) LOCAL BENCHMARKS.—The local board, the local chief elected official, and the Governor shall negotiate and reach agreement on local benchmarks designed to meet the State goals described in the State plan under section 101 for the local workforce development area. In determining such benchmarks, the Governor, the local chief elected official, and the local board shall take into account the State adjusted benchmarks described in section 153(a) with respect to programs authorized under titles II and III, and specific economic, demographic, and other characteristics of the populations to be served in the local workforce development area.

"(B) LOCAL DELIVERY OF SERVICES.—

"(i) IN GENERAL.—The local board, the local chief elected official, and the Governor shall negotiate and reach agreement on a process to be used by the local board that meets the requirements of subclauses (I) and (II) of paragraph (1)(B)(iv) for—

"(I) the designation or certification of full service eligible providers (as described in section 123(c)) in the local workforce development area, including, consistent with State statute, a determination of the role of providers of activities authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) in the full service delivery of services in the local workforce development area; and

"(II) the continued role of the local board and the local elected official in conducting oversight with respect to full service eligible providers that are providers of activities authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.).

"(ii) ESTABLISHED FULL SERVICE EMPLOYMENT AND TRAINING DELIVERY SYSTEM.—Notwithstanding this subsection and section 123(c), if a full service employment and training delivery system has been established in a local workforce development area prior to the date of enactment of this Act, or if approval has been obtained for a plan for a full service employment and training delivery system under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) prior to the date of enactment of this Act, the local board and the Governor involved may agree to certify such full service employment and training delivery system for purposes of this subparagraph.

"(e) SUNSHINE PROVISION.—

"(1) IN GENERAL.—The local board shall make available to the public, on a regular basis, information regarding the activities of the local board, including information regarding membership, the designation and certification of full service employment and training center eligible providers, and the award of grants to eligible providers of disadvantaged youth activities.

"(2) LOCAL PLAN.—Prior to the submission of the local plan to the Governor, under subsection (d)(1)(D)(ii), the local board shall make such plan available for review and comment to—

"(A) appropriate community-based organizations and local educational and other public agencies in the local workforce development area;

"(B) local business organizations and representatives of employees in the local workforce development area; and

"(C) the general public through such means as public hearings and local news media.

"SEC. 123. FULL SERVICE EMPLOYMENT AND TRAINING DELIVERY SYSTEM.

"(a) In General.—There shall be established in a State that receives an allotment under section 312, a full service employment and training delivery system that—

"(1) shall provide the core services described in subsection (d), including the information described in part E of title IV and labor exchange services authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.);

"(2) shall provide access to the activities carried out under subsection (e), if any; and

"(3) shall provide access to intensive and training services described in section 314, including serving as the point of distribution of skill grants for training services to participants in accordance with section 314(c)(6)(A).

"(b) Access to Delivery of Services.—

"(1) In general.—The State's full service employment and training delivery system shall provide individuals and employers with access to the services described in subsection (a) through a network of eligible providers that assures participants that such services will be available, regardless of where the participants initially enter the system. At a minimum, such services shall be available—

"(A) through a network of full service employment and training delivery centers, established in all local workforce development areas in the State, that provide all of the services described in subsection (a); or

"(B) at not less than one full service employment and training delivery center in each local workforce development area in the State that provides all of the services described in subsection (a), supplemented with multiple affiliated sites that provide one or more of such services and are linked through electronic and technological access points.

"(2) Specialized centers.—Of the full service employment and training delivery centers or affiliated sites described in paragraph (1), such centers or sites may have a specialization in addressing special needs, such as the needs of dislocated workers.

"(c) Eligibility for Designation.—Any entity or consortium of entities located in a local workforce development area may be designated or certified by the local workforce development board (in accordance with section 122(d)(2)(A)) through a competitive process, or through an agreement reached between the local board and a consortium of entities, to operate a full service employment and training delivery center or to participate as an affiliated site in the full service employment and training delivery system. Such entities shall be known as 'full service eligible providers' and may include—

"(1) institutions of higher education;

"(2) local employment service offices established under the Wagner-Peyser Act (29 U.S.C 49 et seq.);

"(3) private, nonprofit organizations (including community-based organizations);

"(4) private for-profit entities;

"(5) agencies of local government; and

"(6) other interested organizations and entities of demonstrated effectiveness, including local chambers of commerce and other business organizations, consistent with State criteria as described in the State plan under section 101.

"(d) Core Services.—Funds made available to local workforce development areas under section 313(b), in addition to funds made available under the Wagner-Peyser Act, part E of title IV, and other related programs, shall be used to provide core services, which shall be available to all individuals through the full service employment and training delivery system and shall, at a minimum, include—

"(1) outreach, intake (which may include worker profiling), and orientation to the information and other services available through the full service employment and training delivery system;

"(2) initial assessment of skill levels, aptitudes, abilities, and supportive service needs;

"(3) job search and placement assistance, and where appropriate, career counseling;

"(4) provision of accurate information relating to local, regional, and national labor markets, including—

"(A) job vacancy listings in such markets; and

"(B) information relating to local occupations in demand and the earnings and skill requirements for such occupations;

"(5) provision of accurate information relating to the quality and availability of employment, training, and literacy activities authorized under titles II and III of this Act and the Adult Education and Family Literacy Act, and of vocational rehabilitation program activities as appropriate, and referral to such activities;

"(6) provision of information relating to unemployment compensation, publicly funded employment and training programs (including registered apprenticeships), and forms of public financial assistance, such as student aid programs, that may be available in order to enable individuals to participate in employment, training, literacy, and other workforce preparation activities;

"(7) soliciting and accepting job orders submitted by employers in the local workforce development area, and screening and referring applicants in accordance with such orders;

"(8) dissemination of lists of eligible training providers and performance information regarding such providers in accordance with section 124; and

"(9) any additional performance information with respect to the full service employment and training delivery system in the local workforce development area.

"(e) PERMISSIBLE SERVICES.—Funds made available to local workforce development areas under section 313(b) may be used to contribute to, through the full service employment and training delivery system—

"(1) co-location of services related to employment, training, and literacy activities, such as unemployment insurance, vocational rehabilitation program activities, veterans' employment services, programs authorized under the Wagner-Peyser Act (29 U.S.C 49 et seq.), employment-related services for welfare recipients, or other public assistance activities;

"(2) customized screening and referral of qualified participants to employment; and

"(3) customized employment-related services to employers on a fee-for-service basis.

"SEC. 124. IDENTIFICATION OF TRAINING PROVIDERS.

"(a) ELIGIBILITY REQUIREMENTS.—

"(1) IN GENERAL.—Except as provided in subsection (e), to be identified as an eligible provider of training services under title III and to receive funds made available for the provision of training services described in section 314(c) (referred to in this section as 'training services'), a provider of such services shall meet the requirements of this section.

"(2) POSTSECONDARY EDUCATIONAL INSTITUTION.—Subject to the provisions of this section, a postsecondary educational institution shall automatically be eligible to provide training services under title III for—

"(A) a program that leads to an associate, baccalaureate, professional, or graduate degree;

"(B) a program that—

"(i) is at least 2 academic years in length; and

"(ii) is acceptable for academic credit toward a baccalaureate degree; or

"(C) a program that—

"(i) is at least 1 academic year in length;

"(ii) is a training program;

"(iii) leads to a certificate, degree, or other recognized educational credential; and

"(iv) prepares a student for gainful employment in a recognized occupation.

"(3) OTHER ELIGIBLE PROVIDERS.—

"(A) PROCEDURE.—

"(i) IN GENERAL.—The Governor shall establish a procedure for use by local workforce development boards in determining the eligibility of public and private providers not described in paragraph (2) (including eligibility of postsecondary educational institutions for programs not described in paragraph (2)) to receive such funds.

"(ii) FACTORS.—In developing such procedure, the Governor—

"(I) shall solicit and take into consideration the recommendations of local workforce development boards and providers of training services within the State; and

"(II) shall take into consideration—

"(aa) the specific economic, geographic, and demographic factors in the local areas in which eligible providers are located; and

"(bb) the characteristics of the populations served by the eligible providers, including the demonstrated difficulties in serving such populations, where applicable.

"(B) LEVELS OF PERFORMANCE.—At a minimum, the procedure described in subparagraph (A) shall require such a provider to meet minimum acceptable levels of performance based on verifiable program-specific performance information described in subsection (b) and submitted to the State agency designated under subsection (c), as required under paragraphs (2) and (3) of subsection (c).

"(b) PERFORMANCE INFORMATION.—

"(1) REQUIRED INFORMATION.—Pursuant to subsection (c)(2), to be eligible to provide training services under title III, a provider shall submit information on—

"(A) program completion rates for individuals in the applicable program conducted by the provider;

"(B) the percentage of individuals in the applicable program who obtain employment, which may also include information specifying the percentage of individuals who obtain employment in an occupation related to the program conducted; and

"(C) the earnings at placement of individuals who complete the program.

"(2) ADDITIONAL INFORMATION.—Subject to paragraph (3), in addition to the performance information described in paragraph (1), the Governor may require that a provider described in this paragraph submit such other performance information as the Governor determines to be appropriate, which may include information relating to—

"(A) the retention in employment and the subsequent earnings of the individuals who complete the applicable program;

"(B) where appropriate, the rates of licensure or certification of individuals who complete the program;

"(C) the percentage of individuals who complete the program who attain industry-recognized occupational skills in the subject, occupation, or industry for which training is provided, where applicable; and

"(D) the adequacy of space, staff, equipment, instructional materials, and student support services offered by the provider through a program conducted by the provider.

"(3) CONDITIONS.—

"(A) IN GENERAL.—If the Governor requests additional information pursuant to paragraph (2) that imposes extraordinary costs on providers, the Governor shall provide access to cost-effective methods for the collection of such information or provide additional resources to assist providers in the collection of such information from funds made available under section 313(a).

"(B) TRANSITION PERIOD FOR PERFORMANCE-BASED INFORMATION.—For program years 1999 and 2000, the performance-based information to be submitted by a provider under this subsection shall only be required to be provided relating to the performance of participants assisted under title III in lieu of all individuals participating in the program of the provider. Nothing in this subparagraph shall be construed to prohibit the submission of performance-based information for all individuals participating in the program of the provider as soon as is practicable prior to program year 2001 and each provider shall be encouraged to submit such information.

"(c) ADMINISTRATION.—

"(1) DESIGNATION.—The Governor shall designate a State agency to collect and disseminate the performance information described in subsection (b) and to carry out other duties described in this subsection.

"(2) SUBMISSION.—A provider described in subsection (a) shall submit the performance information described in subsection (b) annually to the designated State agency at such time and in such manner as the designated State agency may require. The designated State agency may accept program-specific performance information consistent with the requirements for eligibility under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) from such a provider for purposes of enabling the provider to fulfill the applicable requirements of this paragraph, if such information is substantially similar to the information required under subsection (b).

"(3) LIST OF ELIGIBLE PROVIDERS.—

"(A) IN GENERAL.—The designated State agency shall compile a list of eligible providers accompanied by the performance information described in subsection (b) consisting of—

"(i) providers determined to be automatically eligible subject to subsection (a)(2); and

"(ii) providers determined to be eligible by local workforce development boards, subject to subsection (a)(3).

"(B) AVAILABILITY.—The designated State agency shall disseminate such lists and information to the full service employment and training delivery system and to local boards. Such list and information shall be made widely available to participants in employment and training programs authorized under title III and others through the full service employment and training delivery system described in section 123.

"(d) ENFORCEMENT.—

"(1) ACCURACY OF INFORMATION.—If the designated State agency determines that a provider or individual supplying information on behalf of a provider intentionally supplies inaccurate information under this section, the agency shall terminate the eligibility of the eligible provider to receive funds described in subsection (a) for a period of time, but not less than 2 years, as prescribed in regulations issued by the Governor.

"(2) NON-COMPLIANCE.—If the designated State agency, or the local workforce development board working through the State agency, determines that an eligible provider under subsection (a) substantially violates any requirement under this Act, the agency, or the local board through the State agency, may terminate the eligibility of such provider to receive funds described in subsection (a) for such program or take such other action as the agency or local board determines to be appropriate.

"(3) NONPERFORMANCE.—

"(A) TERMINATION FOR NONPERFORMANCE.—(i) If the designated State agency determines that an eligible provider under subsection (a)(2) or a program of training services carried out by an eligible provider under subsection (a)(2) substantially fails to meet for 2 or more consecutive years, performance criteria established by the Governor, the agency may terminate the eligibility of such provider.

"(ii) If the designated State agency, or the local workforce development board working through the State agency, determines that an eligible provider under subsection (a)(3) or a program of training services carried out by such an eligible provider fails to meet acceptable levels of performance consistent with the procedure established under subsection (a)(3), the agency, or the local board through the State agency, may terminate the eligibility of such provider.

"(B) FACTORS.—In establishing the performance criteria described under subparagraph (A)(i), the Governor shall—

"(i) solicit and take into consideration the recommendations of local workforce development boards and providers of training services within the State; and

"(ii) take into consideration—

"(I) the specific economic, geographic, and demographic factors in the local areas in which eligible providers are located; and

"(II) the characteristics of the populations served by the eligible providers, including the demonstrated difficulties in serving such populations, where applicable.

"(4) ELIGIBILITY UNDER THE HIGHER EDUCATION ACT OF 1965.—If the designated State agency determines that the eligibility of an eligible provider described in subsection (a)(2) under title IV of the Higher Education Act of 1965 has been terminated, the agency—

"(A) shall terminate the automatic eligibility of the provider under subsection (a)(2); and

"(B) shall require the provider to meet the requirements of subsection (a)(3) to be eligible to receive funds as described in subsection (a).

"(5) REPAYMENT.—A provider whose eligibility is terminated under paragraph (1) or (2) for a program shall be liable for repayment of all funds described in subsection (a) received for the program during any period of noncompliance described in such paragraph.

"(6) Appeal.—The Governor shall establish a procedure for an eligible provider to appeal a determination by the local board or the designated state agency that results in the denial or termination of eligibility under this subsection. Such procedure shall provide an opportunity for a hearing and prescribe appropriate time limits to ensure prompt resolution of the appeal.

"(7) Construction.—This subsection shall be construed to supplement, but not supplant, other civil and criminal remedies and penalties.

"(e) On-The-Job Training Exception.—

"(1) In general.—Providers of on-the-job training, and apprenticeship programs registered in accordance with the National Apprenticeship Act, shall not be subject to the requirements of subsection (a), (b), (c), or (d).

"(2) Collection and dissemination of information.—A full-service eligible provider in a local workforce development area shall collect such performance information from on-the-job training providers as the Governor may require, and disseminate such information through the delivery of core services described in section 123, as appropriate.".

Subtitle C—Program and Fiscal Provisions

CHAPTER 1—GENERAL PROVISIONS

SEC. 121. GENERAL PROGRAM REQUIREMENTS.

(a) Employment and Training Opportunities.—Section 141(a) of the Job Training Partnership Act (29 U.S.C. 1551(a)) is amended—

(1) by striking "and shall make efforts" and all that follows and inserting a period; and

(2) by adding at the end the following: "In addition, efforts shall be made to develop programs which contribute to occupational development, upward mobility, development of new careers, and overcoming sex-stereotyping in occupations traditional for the other sex.".

(b) Relocation.—Section 141(c) of such Act (29 U.S.C. 1551(c)) is amended to read as follows:

"(c) Relocation.—

"(1) Prohibition on use of funds to encourage or induce relocation.—No funds provided under title II, III, or IV shall be used or proposed for use to encourage or induce the relocation, of a business or part of a business, that results in a loss of employment for any employee of such business at the original location, if such original location is within the United States.

"(2) Prohibition on use of funds for customized or skill training and related activities after relocation.—No funds provided under title II, III, or IV for an employment and training activity shall be used for customized or skill training, on-the-job training, or company-specific assessments of job applicants or employees, for any business or part of a business, that has relocated, until 120 days after the date on which such business commences operations at the new location, if the relocation of such business or part of a business, results in a loss of employment for any employee of such business at the original location and such original location is within the United States.

"(3) Repayment.—If the Secretary of Labor determines that a violation of paragraph (1) or (2) has occurred, the Secretary shall require the State that has violated such paragraph to repay to the United States an amount equal to the amount expended in violation of such paragraph.".

(c) Training for Occupations in Demand.—Subsection (d) of section 141 of such Act (29 U.S.C. 1551(d)) is hereby repealed.

(d) Agreements Among Areas Relating to Education, Training, and Employment of Participants.—Section 141(e) of such Act (29 U.S.C 1551(e)) is amended—

(1) by striking paragraph (1); and

(2) in paragraph (2)—

(A) by striking "(2)";

(B) by striking "service delivery area" each place it appears and inserting "local workforce development area"; and

(C) in the second sentence—

(i) by striking "private industry council" and inserting "local workforce development board"; and

(ii) by striking "section 104" and inserting "section 122(d)(1)".

(e) Prohibition on Certain Votes.—Subsection (f) of section 141 of such Act (29 U.S.C. 1551(f)) is hereby repealed.

(f) Payments to Employers for On-the-Job Training.—Section 141(g) of such Act (29 U.S.C. 1551(g)) is amended—

(1) by striking paragraphs (1) through (3); and

(2) in paragraph (4)—

(A) by striking "(4)";

(B) by striking "In accordance with regulations issued by the Secretary, on-the-job training contracts" and inserting "On-the-job training contracts"; and

(C) by striking "with wages and employment benefits" and all that follows and inserting a period.

(g) Duplicate Facilities or Services.—Section 141(h) of such Act (29 U.S.C. 1551(h)) is amended to read as follows:

"(h)(1) Upon the approval of the Governor, real property in which, as of July 1, 1998, equity has resulted from funds provided under title III of the Social Security Act, section 903(c) of such Act (commonly referred to as the 'Reed Act'), or the Wagner-Peyser Act (29 U.S.C. 49 et seq.) may be used for the purposes of a full service employment and training delivery center.

"(2) Unless otherwise provided in a plan approved pursuant to section 101, subsequent to the commencement of the use of the property described in paragraph (1) for the purposes of a full service employment and training delivery center, funds provided under the provisions of law described paragraph (1) may only be used to acquire further equity in such property, or to pay operating and maintenance expenses relating to such property in proportion to the extent of the use of such property attributable to the activities authorized under such provisions of law.".

(h) Responsibilities of Administrative Entities.—Section 141(i) of such Act (29 U.S.C. 1551(i)) is hereby repealed.

(i) Prohibition on Certain Subsidized Employment.—Section 141(k) of such Act (29 U.S.C. 1551(k)) is hereby repealed.

(j) Consultation Requirements.—Section 141(n) of such Act (29 U.S.C 1551(n)) is amended—

(1) by striking "private industry councils" each place it appears and inserting "local workforce development boards";

(2) by striking "councils" and inserting "boards";

(3) by striking "service delivery area" each place it appears and inserting "local workforce development area"; and

(4) by striking "this Act" each place it appears and inserting "title II or title III".

(k) Prohibition on Use of Funds for Public Service Employment.—Section 141(p) of such Act (29 U.S.C 1551(p)) is amended—

(1) by striking "part B of this title or part A or C of title II" and inserting "this Act"; and

(2) by inserting at the end before the period the following: "except as specifically authorized under this Act".

(l) Prohibition on Use of Funds for Certain Economic Activities.—Section 141(q) of such Act (29 U.S.C 1551(p)) is amended in the first sentence by inserting at the end before the period the following: "which are not directly related to training or related services for eligible individuals under this Act".

(m) Priority for Excess Property of the Department of Defense.—Section 141(s) of such Act (29 U.S.C. 1551(s)) is hereby repealed.

(n) Prohibition on Entitlement to Service.—Section 141 of such Act (29 U.S.C. 1551) is amended by adding at the end the following:

"(s) Prohibition on Entitlement to Service.—Nothing in this Act shall be construed to provide an individual with an entitlement to a service under this Act.

"(t) Fee for Service Authority.—Services, facilities, and equipment funded under titles II and III may be used, as appropriate, on a fee for service basis, by employers in a local workforce development area in order to provide employment and training services to incumbent workers—

"(1) when such services, facilities, or equipment are not in use for the provision of services for eligible program participants under title II or title III, respectively;

"(2) if such use would not have an adverse affect on the provision of services to eligible program participants under title II or title III, respectively; and

"(3) if the income derived from such fees is used to carry out the programs authorized under title II or title III, respectively.".

SEC. 122. BENEFITS.

Section 142(a) of the Job Training Partnership Act (29 U.S.C. 1552(a)) is amended—

(1) by striking all that precedes paragraph (4) and inserting the following:

"(a) WAGES.—

"(1) IN GENERAL.—Individuals in on-the-job training or individuals employed in activities under this Act shall be compensated at the same rates, including periodic increases, as trainees or employees who are similarly situated in similar occupations by the same employer and who have similar training, experience and skills, and such rates shall be in accordance with applicable law, but in no event less than the higher of the rate specified in section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) or the applicable State or local minimum wage law."; and

(2) by redesignating paragraph (4) as paragraph (2).

SEC. 123. LABOR STANDARDS.

Section 143 of the Job Training Partnership Act (29 U.S.C. 1553) is amended to read as follows:

"SEC. 143. LABOR STANDARDS.

"(a) LIMITATIONS ON ACTIVITIES THAT IMPACT WAGES OF EMPLOYEES.—No funds provided under this title shall be used to pay the wages of incumbent employees during their participation in economic development activities provided through the statewide system.

"(b) DISPLACEMENT.—

"(1) PROHIBITION.—A participant in an activity authorized under title II, III, or IV of this Act (referred to in this section as a 'specified activity') shall not displace (including a partial displacement, such as a reduction in the hours of nonovertime work, wages, or employment benefits) any currently employed employee (as of the date of the participation).

"(2) PROHIBITION ON IMPAIRMENT OF CONTRACTS.—A specified activity shall not impair an existing contract for services or collective bargaining agreement, and no such activity that would be inconsistent with the terms of a collective bargaining agreement shall be undertaken without the written concurrence of the labor organization and employer concerned.

"(c) OTHER PROHIBITIONS.—A participant in a specified activity shall not be employed in a job—

"(1) when any other individual is on layoff from the same or any substantially equivalent job;

"(2) when the employer has terminated the employment of any regular employee or otherwise reduced the workforce of the employer with the intention of filling the vacancy so created with the participant; or

"(3) which is created in a promotional line that will infringe in any way upon the promotional opportunities of currently employed individuals.

"(d) HEALTH AND SAFETY.—Health and safety standards established under Federal and State law otherwise applicable to working conditions of employees shall be equally applicable to working conditions of participants engaged in specified activities. To the extent that a State workers' compensation law applies, workers' compensation shall be provided to participants on the same basis as the compensation is provided to other individuals in the State in similar employment.

"(e) EMPLOYMENT CONDITIONS.—Individuals in on-the-job training or individuals employed in activities under this Act, shall be provided benefits and working conditions at the same level and to the same extent as other trainees or employees working a similar length of time and doing the same type of work.

"(f) OPPORTUNITY TO SUBMIT COMMENTS.—Interested parties shall be provided an opportunity to submit comments with respect to training programs proposed to be funded under this Act.".

SEC. 124. GRIEVANCE PROCEDURE.

Section 144 of the Job Training Partnership Act (29 U.S.C. 1554) is amended to read as follows:

"SEC. 144. GRIEVANCE PROCEDURE.

"(a) IN GENERAL.—Each State receiving an allotment under this Act shall establish and maintain a procedure for grievances or complaints alleging violations of the requirements of this Act from participants and other interested or affected parties. Such procedure shall include an opportunity for a hearing and be completed within 60 days of filing the complaint.

"(b) INVESTIGATION.—

"(1) IN GENERAL.—The Secretary shall investigate an allegation of a violation described in subsection (a) if—

"(A) a decision relating to such violation has not been reached within 60 days after the date of the filing of the grievance or complaint and either party appeals to the Secretary; or

"(B) a decision relating to such violation has been reached within such 60 days and the party to which such decision is adverse appeals such decision to the Secretary.

"(2) ADDITIONAL REQUIREMENT.—The Secretary shall make a final determination relating to an appeal made under paragraph (1) no later than 120 days after receiving such appeal.

"(c) REMEDIES.—Remedies shall be limited—

"(1) to suspension or termination of payments under this Act;

"(2) to prohibition of placement of a participant with an employer that has violated any requirements under this Act;

"(3) where applicable, to reinstatement of an employee, payment of lost wages and benefits, and reestablishment of other relevant terms, conditions and privileges of employment; and

"(4) where appropriate, to other equitable relief.".

SEC. 125. IDENTIFICATION OF ADDITIONAL IMPOSED REQUIREMENTS.

Section 124 of the Job Training Partnership Act (29 U.S.C. 1534) is amended—

(1) by redesignating such section as section 146 of such Act; and

(2) by inserting such section after section 145 of such Act.

SEC. 126. AUTHORITY OF STATE LEGISLATURE.

Section 126 of the Job Training Partnership Act (29 U.S.C. 1536) is amended—

(1) by adding at the end "Any funds received by a State under title II or III of this Act shall be subject to appropriation by the State legislature, consistent with the terms and conditions required under this Act.";

(2) by redesignating such section as section 147 of such Act; and

(3) by inserting such section after section 146 of such Act, as amended by this Act.

SEC. 127. INTERSTATE AGREEMENTS.

Section 127 of the Job Training Partnership Act (29 U.S.C. 1537) is amended—

(1) by redesignating such section as section 148 of such Act; and

(2) by inserting such section after section 147 of such Act, as amended by this Act.

CHAPTER 2—PERFORMANCE ACCOUNTABILITY PROVISIONS

SEC. 131. PERFORMANCE ACCOUNTABILITY PROVISIONS.

The Job Training Partnership Act (29 U.S.C. 1501 et seq.) is amended by inserting after part C of title I of such Act the following:

"SEC. 151. PERFORMANCE ACCOUNTABILITY SYSTEM.

"In order to promote high levels of performance and to ensure an appropriate return on the Nation's investment in employment, training, and literacy programs, each State receiving funds under this Act or the Adult Education and Family Literacy Act shall implement a statewide performance accountability system that meets the requirements of this subpart.

"SEC. 152. INDICATORS OF PERFORMANCE.

"(a) STATE BENCHMARKS.—

"(1) IN GENERAL.—Each State receiving funds under this Act shall identify indicators and related levels of performance (hereinafter referred to as 'State benchmarks'), for each of the programs established under titles II, III, and V of this Act, to be used to measure the State's progress in meeting the State long-term goals described in the State plan under section 101. Such State benchmarks shall, at a minimum—

"(A) include the core indicators of performance described in section 154;

"(B) be expressed in an objective, quantifiable, and measurable form; and

"(C) show the progress of the State to continuously improve in performance over the 3-year period covered by the State plan.

"(2) CUSTOMER SATISFACTION.—Such State benchmarks may also include post-program surveys and other measures of customer satisfaction of both employers and program participants.

"(b) TECHNICAL DEFINITIONS OF CORE INDICATORS.—In order to ensure nationwide comparability of performance data, the Secretary of Labor and the Secretary of Education, in collaboration with the States, localities, representatives of business and industry, employees, employment and training service providers, State directors of adult education, providers of adult education and literacy services, individuals with expertise in serving the employment and training needs of disadvantaged youth, participants, parents and other interested parties with expertise in the provision of employment, training, literacy, and related services, shall promulgate definitions of each of the core indicators of performance described in section 154, with the exception of the indicators described under subsections (a)(6), (b)(1), (b)(5), (c)(1), and (c)(5) of such section, to be used under this Act in measuring performance.

"SEC. 153. STATE ADJUSTED BENCHMARKS.

"(a) NEGOTIATION.—

"(1) IN GENERAL.—In order to ensure an adequate return on the investment of Federal funds in employment, training, and literacy programs authorized under this Act and the Adult Education and Family Literacy Act, the appropriate Secretary is authorized to negotiate with each State the levels of performance expected to be achieved by such State based upon the State's benchmarks established pursuant to section 152(a)(1) (hereinafter referred to as the 'State adjusted benchmarks'), for the core indicators of performance described in section 154 (except for the indicators described under subsections (a)(6), (b)(1), (b)(5), (c)(1), and (c)(5) of such section). Such negotiations shall take into account—

"(A) whether the levels will enable each State to attain the State goals;

"(B) how the levels compare with the levels established by other States, taking into consideration the specific circumstances, including economic circumstances, of each State;

"(C) how the levels compare with the model levels of performance identified pursuant to subsection (c); and

"(D) the extent to which such levels demonstrate continuous improvement in performance by such State and ensure an adequate return on the investment of Federal funds.

"(2) AUTHORITY OF GOVERNOR.—The Governor of a State is authorized to carry out the negotiation described in paragraph (1) for programs authorized under titles II and III.

"(3) AUTHORITY OF ELIGIBLE STATE AGENCY.—The eligible State agency for adult education and literacy programs is authorized to carry out the negotiation described in paragraph (1) for programs authorized under the Adult Education and Family Literacy Act.

"(b) LOCAL BENCHMARKS FOR EMPLOYMENT AND TRAINING PROGRAMS.—Based on the expected levels of performance established pursuant to subsection (a), each State shall negotiate with the local workforce development board and the chief local elected official in each local workforce development area (consistent with section 122(d)(6)(A)) the levels of performance for each indicator that are expected for such local workforce development areas. Such levels of performance shall be known as 'local benchmarks'.

"(c) MODEL LEVELS OF PERFORMANCE.—In order to encourage high levels of performance and advance the Nation's competitiveness, the Secretary of Labor and the Secretary of Education, in collaboration with the States, localities, and with representatives of business and industry, employees, employment and training service providers, State directors of adult education, providers of adult education and literacy services, individuals with expertise in serving the employment and training needs of disadvantaged youth, participants, parents and other interested parties with expertise in the provision of employment, training, literacy, and related services, shall identify challenging model levels of performance (hereinafter referred to as 'model levels of performance') with respect to the core indicators of performance described in section 154, with the exception of the indicators described under subsections (a)(6), (b)(1), (b)(5), (c)(1), and (c)(5).

"SEC. 154. CORE INDICATORS OF PERFORMANCE.

"(a) CORE INDICATORS FOR ADULT EMPLOYMENT AND TRAINING PROGRAMS.—The common core indicators of performance for programs authorized under title III of this Act shall include measures of—

"(1) placement in unsubsidized employment;

"(2) retention in unsubsidized employment for not less than 6 months and for not less than 12 months, respectively;

"(3) increases in earnings or in earnings in combination with employer-assisted benefits;

"(4) reductions in welfare dependency;

"(5) attainment of industry-recognized occupational skills;

"(6) attainment of a high school diploma or a general equivalency diploma; and

"(7) such other measures of performance as the State may wish to collect.

"(b) CORE INDICATORS FOR ADULT EDUCATION AND LITERACY PROGRAMS.—The core indicators of performance for programs conducted under the Adult Education and Family Literacy Act shall include measures of—

"(1) achievement in the areas of reading, writing, English language acquisition, problem solving, numeracy, and other literacy skills;

"(2) receipt of a high school diploma or a general equivalency diploma;

"(3) entry into a postsecondary school, job retraining program, employment, or career advancement;

"(4) attainment of the literacy skills and knowledge individuals need to be productive and responsible citizens and to become more actively involved in the education of their children; and

"(5) such other measures of performance as the State may wish to collect.

"(c) CORE INDICATORS FOR DISADVANTAGED YOUTH.—The core indicators of performance for programs conducted under title II shall include measures of—

"(1) attainment of challenging State academic proficiencies;

"(2) attainment of secondary school diplomas or general equivalency diplomas;

"(3) attainment of industry-recognized work readiness and occupational skills;

"(4) placement in, retention in, and completion of postsecondary education or advanced training, or placement and retention in military service, employment, or qualified apprenticeships; and

"(5) such other measures of performance as the State may wish to collect.

"(d) POPULATION INDICATORS.—

"(1) ADULT EMPLOYMENT AND TRAINING PROGRAMS.—The core indicators of performance for programs conducted under title III, as provided under subsection (a), shall include measures of the success of individuals with multiple barriers to employment, including economically disadvantaged individuals (including welfare recipients), displaced homemakers, older workers, and other individuals as determined by the State.

"(2) ADULT EDUCATION AND LITERACY PROGRAMS.—The core indicators of performance for programs conducted under the Adult Education and Family Literacy Act, as provided under subsections (a) and (b), shall include measures of the success of economically disadvantaged individuals, individuals with limited literacy (as determined by the eligible agency), and other individuals as determined by the eligible agency.

"(3) DISADVANTAGED YOUTH PROGRAMS.—The core indicators of performance for programs conducted under title II, as provided under subsection (c), shall include measures of the success of hard to serve youth, including individuals who are school dropouts or whose educational attainment is one or more grade levels below the grade level appropriate to the age of the individual, and other individuals as determined by the State.

"SEC. 155. REPORT ON PERFORMANCE.

"(a) IN GENERAL.—Each State that receives funds under titles II and III of this Act and the Adult Education and Family Literacy Act shall annually prepare and submit to the Secretary of Labor and the Secretary of Education (for consideration by the appropriate Secretary) a report on the levels of performance achieved by the State with respect to the State adjusted benchmarks identified pursuant to section 153(a), and by each local workforce development area with respect to the local benchmarks identified pursuant to section 153(b) for programs authorized under title II and title III for each program year. In preparing such report, the State may include information on such additional benchmarks as the State may establish to meet the State goals.

"(b) INFORMATION DISSEMINATION.—The Secretary of Labor and the Secretary of Education—

"(1) shall make the information contained in such reports available to the general public through publication and other appropriate methods;

"(2) shall disseminate State-by-State comparisons of the information; and

"(3) shall provide the appropriate congressional committees with copies of such reports.

"SEC. 156. INCENTIVE GRANTS AND SANCTIONS.

"(a) INCENTIVE GRANTS.—

"(1) AWARD OF GRANTS.—From amounts made available under section 452 and section 502 for any fiscal year, the appropriate Secretary may award incentive grants to States that—

"(A) exceed, during the most recent 12-month period for which data are available, the adjusted State benchmarks described under section 153(a);

"(B) demonstrate continuing progress toward exceeding, during the 3-year period covered by the State plan submitted under section 101, the adjusted State benchmarks described under section 153(a); or

"(C) demonstrate significant progress in the coordination and integration of employment, training, literacy, and other human resource and workforce preparation programs within the State, and demonstrate high performance in such programs.

"(2) Technical assistance.—The Secretary, upon request, shall provide technical assistance to any State that does not qualify for receipt of an incentive grant under paragraph (1).

"(3) Use of funds.—A State that receives an incentive grant under paragraph (1) may use funds made available under such grant only to carry out employment, training, or literacy activities.

"(b) Sanctions.—

"(1) States.—

"(A) Technical assistance.—If a State fails to meet expected levels of performance for a program for any program year as established pursuant to section 153(a), the Secretary of Labor for programs established under title II and title III, or the Secretary of Education for programs established under the Adult Education and Family Literacy Act, shall, upon request, provide technical assistance, including assistance in the development of a performance improvement plan.

"(B) Reduction in amount of grant.—If such failure continues for a second consecutive year, the appropriate Secretary may reduce by not more than 5 percent, the amount of the grant that would (in the absence of this paragraph) be payable to the State under such program for the immediately succeeding program year. Such penalty shall be based on the degree of failure to meet adjusted levels of performance.

"(2) Local areas.—

"(A) Technical assistance.—If a local workforce development area, or other applicable local administrative entity, fails to meet expected levels of performance for a program for any program year under section 153(b), the Governor, upon request to the Secretary, shall provide technical assistance, including the development of a performance improvement plan.

"(B) Corrective actions.—

"(i) In general.—If such failure continues for a second consecutive year, the Governor shall take corrective actions, which may include development of a reorganization plan through which the Governor may require the appointment of a new local board (consistent with the criteria established under section 122(b)), prohibit the use of designated service providers, require the redesignation of a local administrative entity (in such case chosen jointly by the Governor and the chief elected official in the local workforce development area), or such other actions as the Governor determines are appropriate, consistent with State law, and the requirements of this subparagraph.

"(ii) Appeal by workforce development area.—A workforce development area that is subject to a reorganization plan under clause (i) may, not later than 30 days after receiving notice thereof, appeal to the Secretary to rescind or revise such plan. In such case, the Secretary shall make a final decision not later than 45 days after the receipt of the appeal.

"(iii) Effective date.—The actions taken by the Governor under clause (i) shall not become effective until the time the appeal has expired (consistent with clause (ii)), or the Secretary has issued a final decision.".

CHAPTER 3—OTHER PROVISIONS

SEC. 141. PROMPT ALLOCATION OF FUNDS.

Section 162 of the Job Training Partnership Act (29 U.S.C. 1572) is amended—

(1) in the second sentence of subsection (a), by striking "1980 Census or later data" and inserting "the most recent satisfactory data from the Bureau of the Census"; and

(2) by striking subsection (f).

SEC. 142. FISCAL CONTROLS; SANCTIONS.

(a) Establishment of Fiscal Controls by States.—Section 164(a) of the Job Training Partnership Act (29 U.S.C. 1574(a)) is amended—

(1) in paragraph (2)—

(A) in the first sentence of the matter preceding subparagraph (A), before the period at the end insert the following: ", consistent with appropriate circulars of the Office of Management and Budget"; and

(B) in subparagraph (C), by striking "except as specifically provided by this Act" and inserting ", and procurement transactions between workforce development boards and such governments shall be conducted only on a cost-reimbursable basis";

(2) in paragraph (3)—

(A) by inserting before the second comma in the first sentence "consistent with appropriate circulars of the Office of Management and Budget"; and

(B) by striking the second sentence and all that follows;

(3) in paragraph (4), by striking "service delivery area and substate area" and inserting "workforce development area";

(4) in paragraph (5), by striking "service delivery area or substate area" and inserting "workforce development area";

(5) in paragraph (6)(B), by striking "substate areas and service delivery areas" and inserting "workforce development areas"; and

(6) by striking paragraph (8).

(b) SANCTIONS.—Section 164(b) of such Act (29 U.S.C. 1574(b)) is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A)—

(i) by striking "provision of" and inserting "requirement under"; and

(ii) by striking "or the regulations under this Act";

(B) in subparagraph (A), by inserting "local" before "plan"; and

(C) in subparagraph (B)—

(i) in clause (i), by striking "private industry council" and inserting "workforce development board";

(ii) in clause (iii), by striking "service delivery" and inserting "workforce development"; and

(iii) in clause (iv), by striking "service delivery" each place it appears and inserting "workforce development"; and

(2) in paragraph (2)—

(A) in subparagraph (A)—

(i) in the matter preceding clause (i)—

(I) by striking "paragraph (1)(A)" and inserting "subparagraphs (A) and (B) of paragraph (1)"; and

(II) by striking "under the same terms and conditions as the disapproval of the plan"; and

(ii) in clause (i), by inserting "the" before "appeal"; and

(B) in subparagraph (B)—

(i) by striking "The actions" and all that follows through ", who" and inserting "The Secretary"; and

(ii) by striking "60" and inserting "45".

(c) EVALUATION BY COMPTROLLER GENERAL OF THE UNITED STATES.—Subsection (c) of section 164 of such Act (29 U.S.C. 1574(c)) is hereby repealed.

(d) REPAYMENT OF MISEXPENDITURES TO THE UNITED STATES.—Subsection (d) of section 164 of such Act (29 U.S.C. 1574(d)) is amended to read as follows:

"(d) REPAYMENT OF CERTAIN AMOUNTS TO THE UNITED STATES.—

"(1) IN GENERAL.—Every recipient of funds under titles II and III of this Act shall repay to the United States amounts found not to have been expended in accordance with this Act.

"(2) OFFSET OF REPAYMENT.—If the Secretary determines that a State has expended funds made available under this Act in a manner contrary to the requirements of this Act, the Secretary may offset repayment of such expenditures against any other amount to which the State is or may be entitled, except as provided under subsection (e)(1).

"(3) REPAYMENT FROM DEDUCTION BY STATE.—If the Secretary requires a State to repay funds as a result of a determination that a local recipient or a subgrantee of such recipient in a local workforce development area of the State has expended funds contrary to the requirements of this Act, the Governor of the State may use an amount deducted under paragraph (4) to repay the funds, except as provided under subsection (e)(1).

"(4) DEDUCTION BY STATE.—The Governor may deduct an amount equal to the misexpenditure described in paragraph (3) from subsequent program year allocations to the local workforce development area from funds reserved for the administrative costs of such local programs under title II or title III, as appropriate.

"(5) LIMITATIONS.—A deduction made by a State as described under paragraph (4) shall not be made until such time as the Governor has taken appropriate corrective action to ensure full compliance within such local workforce development area with regard to appropriate expenditures of funds under this Act.".

(e) REPAYMENT OF CERTAIN AMOUNTS TO THE UNITED STATES.—Subsection (e) of section 164 of such Act (29 U.S.C. 1574(e)) is amended—

(1) in paragraph (1)—

(A) in the first sentence—

(i) by inserting "by the Secretary" after "upon a determination";

(ii) by striking "or failure" and inserting "failure"; and

(iii) by inserting before the period at the end the following: ", or a pattern of failure with respect to paragraphs (2) and (3) of subsection (d)"; and

(B) in the second sentence—

(i) by inserting "under this subsection or subsection (d)" after "shall be made"; and

(ii) by inserting before the period at the end the following: "has been given to the recipient"; and

(2) in paragraph (3), by striking the second sentence.

(f) REMEDIES CONSTRUED AS EXCLUSIVE REMEDIES.—Subsection (h) of section 164 of such Act (29 U.S.C. 1574(h)) is hereby repealed.

SEC. 143. REPORTS; RECORDKEEPING; INVESTIGATIONS.

Section 165 of the Job Training Partnership Act (29 U.S.C. 1575) is amended—

(1) in subsection (d)(1)(C)—

(A) by striking the comma after "occupations"; and

(B) by striking the semicolon at the end and inserting "and placement for participants in nontraditional employment;"; and

(2) by striking subsection (h).

SEC. 144. ADMINISTRATIVE ADJUDICATION.

Section 166(a) of the Job Training Partnership Act (29 U.S.C. 1576(a)) is amended by striking the last sentence.

SEC. 145. NONDISCRIMINATION.

Section 167 of the Job Training Partnership Act (29 U.S.C. 1577) is amended to read as follows:

"SEC. 167. NONDISCRIMINATION.

"(a) IN GENERAL.—

"(1) FEDERAL FINANCIAL ASSISTANCE.—For the purpose of applying the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), on the basis of disability under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), on the basis of sex under title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), or on the basis of race, color, or national origin under title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), programs and activities funded or otherwise financially assisted in whole or in part under this Act are considered to be programs and activities receiving Federal financial assistance.

"(2) NONDISCRIMINATION.—No individual shall be excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in the administration of or in connection with any such program or activity because of race, color, religion, sex, national origin, age, political affiliation or belief, or status as a qualified individual with a disability or as a participant of such program or activity.

"(b) SECRETARIAL AUTHORITY.—Whenever the Secretary finds that a State or other recipient has failed to comply with a provision of this section, or with an applicable regulation prescribed to carry out this section, the Secretary shall notify such State or recipient and seek compliance through the processes of conciliation, mediation or persuasion, as appropriate. If within a reasonable time the State or recipient fails or refuses to comply, the Secretary may—

"(1) refer the matter to the Attorney General with a recommendation for appropriate action; or

"(2) take such other action as may be provided by law.

"(c) AUTHORITY OF ATTORNEY GENERAL.—When a matter is referred to the Attorney General pursuant to subsection (b)(1), the Attorney General may bring a civil action in any appropriate district court of the United States for such relief as may be appropriate, including injunctive relief.

"(d) JOB CORPS.—For the purposes of this section, Job Corps members shall be considered as the ultimate beneficiaries of Federal financial assistance.

"(e) REGULATIONS.—The Secretary shall issue regulations necessary to implement this section not later than one year after the date of the enactment of the Employment, Training, and Literacy Enhancement Act of 1997. Such regulations shall adopt standards for determining discrimination and procedures for enforcement that are consistent with the Acts referred to in a subsection (a)(1), as well as procedures to ensure that complaints filed under this section and such Acts are processed in a manner that avoids duplication of effort.".

SEC. 146. JUDICIAL REVIEW.

Section 168 of the Job Training Partnership Act (29 U.S.C. 1578) is hereby repealed.

SEC. 147. ADMINISTRATIVE PROVISIONS.

Section 169 of the Job Training Partnership Act (29 U.S.C. 1579) is amended—

(1) in the first sentence of subsection (a), by striking "such rules and regulations" and all that follows and inserting "rules and regulations only to the extent necessary to administer and ensure compliance with the specific requirements of this Act."; and

(2) by striking subsection (e).

SEC. 148. PRESIDENTIAL AWARDS FOR OUTSTANDING PRIVATE SECTOR INVOLVEMENT IN JOB TRAINING PROGRAMS.

Section 172 of the Job Training Partnership Act (29 U.S.C. 1582) is hereby repealed.

SEC. 149. CONSTRUCTION.

Section 173 of the Job Training Partnership Act (29 U.S.C. 1583) is hereby repealed.

SEC. 150. LIMITATION ON CERTAIN COSTS.

Part D of title I of the Job Training Partnership Act (29 U.S.C. 1571 et seq.), as amended by this Act, is further amended by adding at the end the following:

"SEC. 172. LIMITATION ON CERTAIN COSTS.

"(a) IN GENERAL.—The Secretary, after consultation with the Inspector General of the Department of Labor and the Comptroller General of the United States, shall develop regulations that define 'administrative costs' for purposes of programs under titles II and III. Such definition shall reflect generally accepted accounting principles.

"(b) LIMITATION.—

"(1) IN GENERAL.—Of the amounts allocated to local workforce development areas for a program year under titles II and III, not more that 10 percent of such amounts may be expended for administrative costs.

"(2) DEFINITION.—For purposes of paragraph (1), the term 'allocated' means allocated for a program year, as adjusted for reallocations and reallotments and for transfers of funds in accordance with this Act.".

Subtitle D—Miscellaneous Provisions

SEC. 161. CRIMINAL PROVISIONS.

(a) IN GENERAL.—Section 182 of the Job Training Partnership Act is hereby repealed.

(b) SAVINGS PROVISION.—The repeal of section 182 of such Act made by subsection (a) does not affect in any way the amendment made by such section 182.

SEC. 162. REFERENCE.

Section 183 of the Job Training Partnership Act (29 U.S.C. 1592) is amended to read as follows:

"SEC. 183. REFERENCE.

"Effective on the date of the enactment of the Employment, Training, and Literacy Enhancement Act of 1997, all references in any other provision of law (other than section 665 of title 18, United States Code) to the Comprehensive Employment and Training Act, or to the Job Training Partnership Act, as the case may be, shall be deemed to refer to Employment, Training, and Literacy Enhancement Act.".

SEC. 163. REPEALERS.

(a) IN GENERAL.—Section 184 of the Job Training Partnership Act (29 U.S.C. 801 et seq.) is hereby repealed.

(b) SAVINGS PROVISION.—The repeal of section 184 of such Act made by subsection (a) does not affect in any way the repealers made by such section 184.

TITLE II—AMENDMENTS TO EMPLOYMENT AND TRAINING PROGRAMS FOR DISADVANTAGED YOUTH

SEC. 201. ADULT TRAINING PROGRAM.

Title II of the Job Training Partnership Act (29 U.S.C. 1601 et seq.) is amended by striking part A of such title.

SEC. 202. SUMMER YOUTH EMPLOYMENT AND TRAINING PROGRAM.

Title II of the Job Training Partnership Act (29 U.S.C. 1601 et seq.) is amended by striking part B of such title.

SEC. 203. DISADVANTAGED YOUTH EMPLOYMENT AND TRAINING OPPORTUNITIES GRANTS.

(a) AUTHORIZATION.—Title II of the Job Training Partnership Act (29 U.S.C. 1601 et seq.), as amended by this Act, is further amended—

(1) in the heading to read as follows:

"TITLE II—DISADVANTAGED YOUTH EMPLOYMENT AND TRAINING OPPORTUNITIES GRANTS";

(2) by striking the heading for part C of such title;

(3) by redesignating section 261 as section 201; and

(4) by inserting after section 201 (as redesignated) the following:

"SEC. 202. AUTHORIZATION.

"(a) IN GENERAL.—In the case of each State that in accordance with the requirements of sections 101 and 102 submits to the Secretary of Labor (hereinafter in this title referred to as the 'Secretary') a State plan, the Secretary shall provide a grant to the State for the purpose of providing employment, job training, educational, and related assistance for disadvantaged youth in the State.

"(b) AMOUNT.—The grant shall consist of the allotment determined for the State under section 203.".

(b) ALLOTMENT AND ALLOCATION AMONG STATES.—Title II of the Job Training Partnership Act (29 U.S.C. 1601 et seq.), as amended by this Act, is further amended—

(1) by redesignating section 262 as section 203; and

(2) in section 203 (as redesignated)—

(A) in the heading to read as follows:

"SEC. 203. ALLOTMENT AND ALLOCATION AMONG STATES.";

(B) by striking subsections (b) and (c);

(C) by redesignating subsections (a) and (d) as subsections (b) and (c), respectively;

(D) by inserting before subsection (b) (as redesignated) the following:

"(a) IN GENERAL.—Of the amount appropriated pursuant to section 3(a)(1) to carry out this title for a fiscal year, the Secretary shall allot such amount in accordance with subsection (b).";

(E) in subsection (b) (as redesignated)—

(i) in the heading to read as follows:

"(b) ALLOTMENT AMONG STATES.—";

(ii) in paragraph (1) to read as follows:

"(1) OUTLYING AREAS.—

"(A) IN GENERAL.—From the amount appropriated for any fiscal year to carry out this title, the Secretary shall reserve not more than one quarter of one percent to provide assistance to—

"(i) the outlying areas; and

"(ii) for each of the fiscal years 1998 through 2001, to carry out the competition described in subparagraph (B), except that the amount reserved to carry out such subparagraph for any such fiscal year shall not exceed the amount reserved for the freely associated states for fiscal year 1997, from amounts reserved under section 262(a)(1) of the Job Training Partnership Act (29 U.S.C. 1642(a)(1)) (as such section was in effect on the day before the date of the enactment of Employment, Training, and Literacy Enhancement Act of 1997).

"(B) LIMITATION FOR FREELY ASSOCIATED STATES.—

"(i) COMPETITIVE GRANTS.—The Secretary shall use funds described in subparagraph (A)(ii) to award grants to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the freely associated states to carry out the purposes of this title.

"(ii) AWARD BASIS.—The Secretary shall award grants pursuant to clause (i) on a competitive basis and pursuant to the recommendations of experts in the field of employment and training, working through the Pacific Region Educational Laboratory in Honolulu, Hawaii.

"(iii) ASSISTANCE REQUIREMENTS.—Any freely associated state that desires to receive amounts under this title shall include in its application for assistance—

"(I) information demonstrating that it will meet all conditions that apply to States under this title;

"(II) an assurance that, notwithstanding any other provision of this title, it will use such amounts only for the direct provision of services; and

"(III) such other information and assurances as the Secretary may require.

"(iv) TERMINATION OF ELIGIBILITY.—Notwithstanding any other provision of law, the freely associated states shall not receive any funds under this title for any program year that begins after September 30, 2001.

"(v) ADMINISTRATIVE COSTS.—The Secretary may provide not more than 5 percent of the amount made available for grants under this subparagraph to pay the administrative costs of the Pacific Region Educational Laboratory in Honolulu, Hawaii, regarding activities assisted under this section.

"(C) ADDITIONAL REQUIREMENT.—The provisions of Public Law 95-134, permitting the consolidation of grants by the outlying areas, shall not apply to funds provided to those areas or to the freely associated states under this section.

"(D) DEFINITION.—For purposes of this paragraph, the term 'freely associated states' means the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau."; and

(iii) in paragraph (2)—

(I) by inserting after the heading the following:

"(A) IN GENERAL.—";

(II) by striking "82 percent of the remainder" and all that follows and inserting the following: "the remaining amount to the States pursuant to the formula contained in subparagraph (B)."; and

(III) by adding at the end the following:

"(B) FORMULA.—Subject to the provisions of subparagraphs (C) and (D) of the amounts allotted to States for this title for each fiscal year—

"(i) 33⅓ percent shall be allotted on the basis of the relative number of unemployed individuals residing in areas of substantial unemployment within each State as compared to the total number of such unemployed individuals in all such areas of substantial unemployment in all States;

"(ii) 33⅓ percent shall be allotted on the basis of the relative excess number of unemployed individuals who reside in each State as compared to the total excess number of unemployed individuals in all States; and

"(iii) 33⅓ percent shall be allotted on the basis of the relative number of economically disadvantaged youth within each State as compared to the total number of economically disadvantaged youth in all States.

"(C) MINIMUM ALLOTMENT.—

"(i) MINIMUM PERCENTAGE.—No State shall be allotted less than 90 percent of its allotment percentage for the fiscal year preceding the fiscal year for which the determination is made.

"(ii) MAXIMUM PERCENTAGE.—No State shall be allotted more than 130 percent of its allotment percentage for the fiscal year preceding the fiscal year for which the determination is made.

"(D) SMALL STATE MINIMUM ALLOTMENT.—No State shall receive less than one-quarter of one percent of the amount available under this title for a fiscal year. Amounts necessary for increasing such payments to States to comply with the preceding sentence shall be obtained by ratably reducing the amounts to be paid to other States."; and

(F) in subsection (c)(1)(A) (as redesignated)—

(i) in the heading, by striking "ECONOMICALLY DISADVANTAGED" and inserting "DISADVANTAGED"; and

(ii) in the matter preceding clause (i), by striking "economically".

(c) ALLOCATION WITHIN STATES.—Title II of the Job Training Partnership Act (29 U.S.C. 1601 et seq.), as amended by this Act, is further amended by inserting after section 203 the following:

"SEC. 204. ALLOCATION WITHIN STATES.

"(a) RESERVATION FOR STATE ACTIVITIES.—

"(1) IN GENERAL.—

"(A) RESERVATION.—The Governor of the State shall reserve not more than 25 percent of the amount allotted to the State under section 203(b) for a fiscal year to carry out the activities described in this subsection.

"(B) MATCHING FUNDS FOR OUT-OF-SCHOOL YOUTH PROGRAMS.—Of the amount reserved under subparagraph (A), the Governor shall reserve 10 percent of the total amount allotted to the State under section 203(b) for any fiscal year to award grants in accordance with this title to programs for disadvantaged youth services that—

"(i) serve only out-of-school youth; and

"(ii) agree to provide funds from non-Federal sources for such services in an amount equal to the Federal funds received under this title.

"(2) REQUIRED ACTIVITIES.—Activities described in paragraph (1)(A) shall include the provision of additional assistance to areas that have high concentrations of disadvantaged youth to carry out the activities described in section 206.

"(3) DISCRETIONARY ACTIVITIES.—Activities described in paragraph (1)(A) may include—

"(A) subject to paragraph (4), administration by the State of programs under this title;

"(B) capacity building and technical assistance to local workforce development areas and to providers of disadvantaged youth services as authorized under this title, including the development and training of staff, members of local workforce development boards, and employers and workplace mentors providing training through programs authorized under this title;

"(C) incentives for program coordination and integration, performance awards, and research and demonstrations;

"(D) implementation of innovative disadvantaged youth employment and training programs, pilot projects, and demonstration projects which further the purposes of this title; and

"(E) support for a common management information system across employment, training, literacy, and human resource programs as identified in section 103.

"(4) LIMITATION.—Of the amount reserved by the Governor under paragraph (1)(A), not more than 5 percent of the total amount allotted to the State under section 203(b) may be used for administration by the State of programs under this title.

"(b) WITHIN STATE ALLOCATION.—

"(1) IN GENERAL.—The Governor of the State shall allocate the remainder of the amount allotted to the State under section 203(b) to workforce development areas designated under section 121, for the purpose of providing services for disadvantaged youth in accordance with section 206.

"(2) WITHIN STATE FORMULA.—

"(A) ESTABLISHMENT.—The Governor, through the collaborative process under section 102, and after consultation with local chief elected officials in the local workforce development areas, shall develop a formula for the allocation of the remainder of funds described in paragraph (1) to workforce development areas, taking into account—

"(i) the relative number of unemployed individuals residing in areas of substantial unemployment within each local workforce development area, as compared to the total number of such unemployed individuals residing within the State;

"(ii) the relative number of disadvantaged youth residing within each local workforce development area as compared to the total number of disadvantaged youth residing within the State;

"(iii) the relative excess number of unemployed individuals who reside within each local workforce development area as compared to the total excess number of unemployed individuals residing within the State; and

"(iv) such additional factors as are determined appropriate by the State.

"(B) ADDITIONAL FACTORS.—In establishing such formula, the Governor shall ensure that—

"(i) funds are distributed equitably throughout the State;

"(ii) factors described in subparagraph (A) do not receive disproportionate weighting; and

"(iii) such formula protects local workforce development areas from significant funding shifts from year to year.".

(d) ELIGIBILITY FOR SERVICES.—Title II of the Job Training Partnership Act (29 U.S.C. 1601 et seq.), as amended by this Act, is further amended—

(1) by redesignating section 263 as section 205; and

(2) in section 205 (as redesignated)—

(A) in subsection (a)—

(i) in the heading to read as follows:

"(a) IN GENERAL.—";

(ii) in the matter preceding paragraph (1)—

(I) by striking "subsections (e) and (g)" and inserting "subsection (c)";

(II) by striking "who is in school"; and

(III) by striking "part" and inserting "title"; and

(iii) in paragraph (1)(B) to read as follows:

"(B) if provided in the local plan developed pursuant to section 122(d)(1), is age 14 through 24; and";

(B) in subsection (b)—

(i) by amending the heading to read as follows:

"(b) PRIORITY FOR SERVICE.—";

(ii) by redesignating paragraphs (1) through (7) as subparagraphs (B) through (H), respectively, and moving the margin for each such subparagraph two ems to the right;

(iii) by inserting before subparagraph (B) (as redesignated) the following:

"(A) Individuals who are school dropouts.";

(iv) in subparagraph (H) (as redesignated) to read as follows:

"(H) Other disadvantaged youth who face serious barriers to employment as identified by the local workforce development area."; and

(v) by amending the matter preceding subparagraph (A) (as added by clause (iii)) to read as follows:

"(1) PRIORITY.—Of the disadvantaged youth described in subsection (a), priority for service shall be given to school dropouts and to other hard-to-serve youth.

"(2) DEFINITION.—For the purposes of this title, the term 'hard-to-serve youth' includes—";

(C) by striking subsections (c), (d), (f), (g), and (h);

(D) by redesignating subsection (e) as subsection (c); and

(E) in subsection (c) (as redesignated)—

(i) by striking "subsection (a)(2) or (c)(2)" and inserting "subsection (a)"; and

(ii) by striking "of individuals who face" and all that follows and inserting "described in subparagraphs (A) through (G) of subsection (b)(2).".

(e) USE OF FUNDS.—Title II of the Job Training Partnership Act (29 U.S.C. 1601 et seq.), as amended by this Act, is further amended—

(1) by redesignating section 264 as section 206; and

(2) in section 206 (as redesignated)—

(A) by striking subsection (a);

(B) by redesignating subsections (b), (c), and (d) as subsections (a), (b), and (c), respectively;

(C) in subsection (a) (as redesignated)—

(i) in the heading to read as follows:

"(a) PROGRAM DESIGN.—";

(ii) in paragraph (1)—

(I) in the heading to read as follows:

"(1) ESSENTIAL ELEMENTS.—";

(II) in the matter preceding subparagraph (A)—

(aa) by striking "part" and inserting "title"; and

(bb) by striking "include";

(III) in subparagraph (A)—

(aa) by inserting "provide" after "(A)";

(bb) by striking "skill levels and service needs" and inserting "academic levels, skill levels, and service needs"; and

(cc) by striking "and supportive service needs" and inserting "supportive service needs, and developmental needs of such participants";

(IV) in subparagraph (B)—

(aa) by striking "development of" and inserting "develop"; and

(bb) by inserting "for each participant" after "service strategies"; and

(V) by amending subparagraphs (C) and (D) to read as follows:

"(C) integrate academic, occupational, and work-based learning opportunities;

"(D) provide comprehensive guidance and counseling;

"(E) provide postsecondary educational or training opportunities, where appropriate;

"(F) involve employers and parents in the design and implementation of programs; and

"(G) provide adult mentoring.";

(iii) in paragraph (2)—

(I) in subparagraph (A)—

(aa) in the matter preceding clause (i), by striking "service delivery" and inserting "workforce development"; and

(bb) in clause (i), by striking "service delivery" and inserting "workforce development"; and

(II) in subparagraph (B)—

(aa) in clause (i), by striking "(i) SERVICE PROVIDERS.—"; and

(bb) by striking clause (ii);

(D) in subsection (b) (as redesignated)—

(i) in the matter preceding paragraph (1), by striking "part" and inserting "title";

(ii) in paragraph (1)—

(I) in subparagraph (A), by striking "section 204(b)(1)" and inserting "section 314(c)(4)";

(II) in subparagraph (C), by striking "section 141(o)(1)" and inserting "section 141(11)(A)";

(III) in subparagraph (F), by inserting after "(F)" the following: "paid and unpaid work experience, including summer employment opportunities that are directly linked to academic, occupational, and workbased learning opportunities, which may include";

(IV) in subparagraph (G)—

(aa) by striking "in public agencies, nonprofit agencies, and other appropriate agencies, institutions, and organizations"; and

(bb) by adding "and" at the end;

(V) by amending subparagraph (H) to read as follows:

"(H) such other training and transition services that assist disadvantaged youth in making the transition to employment or to postsecondary education or training, as determined appropriate by the local workforce development area."; and

(VI) by striking subparagraphs (I) through (L); and

(iii) in paragraph (2)—

(I) in subparagraph (A) to read as follows:

"(A) assessment, outreach, staff development, job development, and job search assistance activities;";

(II) in subparagraph (C), by striking "and" at the end;

(III) in subparagraph (D)—

(aa) by striking "cash"; and

(bb) by striking the period at the end and inserting "; and"; and

(IV) by adding at the end the following:

"(E) peer-centered activities encouraging responsibility and other positive social behaviors during non-school hours.";

(E) in subsection (c) (as redesignated)—

(i) in paragraph (1)—

(I) by striking "service delivery" and inserting "workforce development";

(II) by striking "private industry council" and inserting "local board"; and

(III) by striking "section 453(c)" and inserting "part D of title IV";

(ii) in clauses (i) through (iii) of paragraph (2)(B), by striking "service delivery" each place it occurs and inserting "workforce development";

(iii) in paragraph (3)—

(I) in subparagraph (A)—

(aa) in the heading to read as follows:

"(A) WORK-RELATED ACTIVITIES.—";

(bb) in the first sentence, by inserting after "work maturity skills training" the following: ", summer employment, job search assistance, job club activities, and other work-related activities";

(cc) in the first sentence, by striking "part" and inserting "title";

(dd) in the first sentence, by striking "by either work experience or other additional services" and inserting "by occupational and academic learning opportunities";

(ee) in the first sentence, by striking "basic education or occupational skills" and inserting "basic education and occupational skills"; and

(ff) in the second sentence, by striking ", including the Job Corps";

(II) by striking subparagraph (B);

(III) by redesignating subparagraph (C) as subparagraph (B); and

(IV) in subparagraph (B) (as redesignated)—

(aa) by striking clause (i);

(bb) by redesignating clause (ii) as clause (i);

(cc) in clause (i) (as redesignated), by striking "part" and inserting "title"; and

(dd) by redesignating clause (iii) as clause (ii);

(iv) in paragraph (5)—

(I) in the heading, by striking "COUNSELING" and inserting "FOLLOW-UP, COUNSELING";

(II) by striking "part" and inserting "title"; and

(III) by striking "for a period of up to 1 year";

(v) by striking paragraph (6);

(vi) in paragraph (7), by striking "service delivery" and inserting "workforce development" and

(vii) by redesignating paragraph (7) as paragraph (6).

(f) SELECTION OF SERVICE PROVIDERS.—Title II of the Job Training Partnership Act (29 U.S.C. 1601 et seq.), as amended by this Act, is further amended by adding after section 206 (as redesignated), the following:

"SEC. 207. SELECTION OF SERVICE PROVIDERS.

"From funds made available under section 204(b) to a local workforce development area, the local board for such local area shall award grants, on a competitive basis, to eligible providers to carry out the disadvantaged youth programs described in section 206.".

(g) EDUCATIONAL LINKAGES.—Title II of the Job Training Partnership Act (29 U.S.C. 1601 et seq.), as amended by this Act, is further amended—

(1) by redesignating section 265 as section 208; and

(2) in section 208 (as redesignated)—

(A) in subsection (a), by striking "service delivery" and inserting "workforce development";

(B) in subsection (b)—

(i) in the matter preceding paragraph (1), by striking "service delivery" and inserting "workforce development"; and

(ii) in paragraph (6) to read as follows:

"(6) title I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996;";

(C) in subsection (c)—

(i) in the first sentence, by striking "service delivery" and inserting "workforce development"; and

(ii) in the second sentence, by striking ", including programs conducted under part A"; and

(D) by striking subsection (d).

(h) TRANSFER OF FUNDS.—Title II of the Job Training Partnership Act (29 U.S.C. 1601 et seq.), as amended by this Act, is further amended by striking section 266.

TITLE III—AMENDMENTS TO EMPLOYMENT AND TRAINING PROGRAMS FOR ADULTS

SEC. 301. ADULT EMPLOYMENT AND TRAINING OPPORTUNITIES GRANTS.

Title III of the Job Training Partnership Act (29 U.S.C. 1651 et seq.) is amended to read as follows:

"TITLE III—ADULT EMPLOYMENT AND TRAINING OPPORTUNITIES GRANTS

"SEC. 301. PURPOSE.

"The purpose of this title is to establish a high-quality, efficient system of employment, job training, and related assistance that—

"(1) provides individuals with choice in the selection of employment and training options that will facilitate the transition of such individuals into productive, high skills, private sector jobs;

"(2) provides quality training of such individuals for the 21st century; and

"(3) drives resources and authority to States and local communities for the design of job training programs.

"PART A—ADULT EMPLOYMENT AND TRAINING OPPORTUNITIES GRANTS

"SEC. 311. AUTHORIZATION.

"(a) IN GENERAL.—In the case of each State that in accordance with the requirements of sections 101 and 102 submits to the Secretary of Labor (hereinafter in this title referred to as the 'Secretary') a State plan, the Secretary shall provide funds to the State for the purpose of providing employment, job training, and related assistance for adults and dislocated workers in the State, in accordance with this title.

"(b) AMOUNT.—The funds described in subsection (a) shall consist of the allotments determined for the State under section 312.

"SEC. 312. ALLOTMENT AMONG STATES.

"(a) IN GENERAL.—Of the amount appropriated pursuant to section 3(a)(2) to carry out this title for a fiscal year, the Secretary—

"(1) shall allot the total amount appropriated pursuant to section 3(a)(2)(A) in accordance with subsection (b)(1); and

"(2)(A) shall allot 80 percent of the amount appropriated pursuant to section 3(a)(2)(B) in accordance with the subsection (b)(2); and

"(B) shall reserve the remainder of the amount appropriated pursuant to section 3(a)(2)(B) for use under part B.

"(b) ALLOTMENT AMONG STATES.—

"(1) ADULT EMPLOYMENT AND TRAINING.—

"(A) RESERVATION FOR OUTLYING AREAS.—

"(i) IN GENERAL.—Of the amount allotted under subsection (a)(1), the Secretary shall allot not more than one quarter of one percent among the outlying areas.

"(ii) APPLICABILITY OF ADDITIONAL REQUIREMENTS.—Of the amount allotted under clause (i), the Secretary shall award grants to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the freely associated states in accordance with the requirements of section 203(b)(1).

"(B) STATES.—

"(i) IN GENERAL.—After determining the amount to be allotted under subparagraph (A), the Secretary shall allot the remaining amount to the States pursuant to the formula contained in clause (ii).

"(ii) FORMULA.—Subject to the provisions of clause (iii), of the amounts allotted to States for adult employment and training under this title for each fiscal year—

"(I) 33⅓ percent shall be allotted on the basis of the relative number of unemployed individuals residing in areas of substantial unemployment within each State as compared to the total number of such unemployed individuals in all such areas of substantial unemployment in all States;

"(II) 33⅓ percent shall be allotted on the basis of the relative excess number of unemployed individuals within each State as compared to the total excess number of unemployed individuals in all States; and

"(III) 33⅓ percent shall be allotted on the basis of the relative number of economically disadvantaged adults within each State as compared to the total number of economically disadvantaged adults in all States.

"(iii) MINIMUM ALLOTMENT.—

"(I) MINIMUM PERCENTAGE.—No State shall be allotted less than 90 percent of its allotment percentage for the fiscal year preceding the fiscal year for which the determination is made.

"(II) MAXIMUM PERCENTAGE.—No State shall be allotted more than 130 percent of its allotment percentage for the fiscal year preceding the fiscal year for which the determination is made.

"(iv) SMALL STATE MINIMUM ALLOTMENT.—No State shall receive less than one-quarter of one percent of the amount available under this subparagraph for a fiscal year. Amounts necessary for increasing such payments to States to comply with the preceding sentence shall be obtained by ratably reducing the amounts to be paid to other States.

"(2) DISLOCATED WORKERS.—

"(A) RESERVATION FOR OUTLYING AREAS.—

"(i) IN GENERAL.—Of the amount allotted under subsection (a)(2)(A), the Secretary shall allot not more than one quarter of one percent among the outlying areas.

"(ii) APPLICABILITY OF ADDITIONAL REQUIREMENTS.—Of the amount allotted under clause (i), the Secretary shall award grants to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the freely associated states in accordance with the requirements of section 203(b)(1).

"(B) STATES.—

"(i) IN GENERAL.—After determining the amount to be allotted under subparagraph (A), the Secretary shall allot the remaining amount to the States pursuant to the formula contained in clause (ii).

"(ii) FORMULA.—Subject to the provisions of clause (iii), of the amounts allotted to States for dislocated worker employment and training under this title for each fiscal year—

"(I) 33⅓ percent shall be allotted among the States on the basis of the relative number of unemployed individuals who reside in each State as compared to the total number of unemployed individuals in all the States;

"(II) 33⅓ percent shall be allotted among the States on the basis of the relative excess number of unemployed individuals who reside in each State as compared to the total excess number of unemployed individuals in all the States (for purposes of this subclause, the term 'excess number' means the number which represents unemployed individuals in excess of 4.5 percent of the civilian labor force in the State); and

"(III) 33⅓ percent shall be allotted among the States on the basis of the relative number of individuals who have been unemployed for 15 weeks or more and who reside in each State as compared to the total number of such individuals in all the States.

"(iii) MINIMUM ALLOTMENT.—

"(I) MINIMUM PERCENTAGE.—No State shall be allotted less than 90 percent of its allotment percentage for the fiscal year preceding the fiscal year for which the determination is made.

"(iii) Maximum percentage.—No State shall be allotted more than 130 percent of its allotment percentage for the fiscal year preceding the fiscal year for which the determination is made.

"(iv) Small state minimum allotment.—No State shall receive less than one-quarter of one percent of the amount available under this subparagraph for a fiscal year. Amounts necessary for increasing such payments to States to comply with the preceding sentence shall be obtained by ratably reducing the amounts to be paid to other States.

"SEC. 313. ALLOCATION WITHIN STATES.

"(a) Reservations for State Activities.—

"(1) Adult employment and training.—

"(A) In general.—The Governor of the State shall reserve not more than 15 percent of the total amount allotted to the State under section 312(b)(1) for a fiscal year for statewide activities for *employment, job training, and* related assistance for adults.

"(B) Allowable activities.—Such activities may include—

"(i) subject to subparagraph (C), administration by the State of programs under this title;

"(ii) capacity building and technical assistance to local workforce development areas, full service employment and training delivery systems, and service providers including the development and training of staff and the development of exemplary program activities;

"(iii) incentives for program coordination and integration, performance awards, and research and demonstrations;

"(iv) implementation of innovative incumbent worker training programs, which may include the establishment and implementation of an employer loan program to assist in skills upgrading, and the establishment and implementation of programs targeted to empowerment zones;

"(v) implementation of experimentation, model activities, pilot projects, and demonstration projects which further the goals and purposes of this Act;

"(vi) additional assistance for the development and implementation of the full service employment and training delivery system established in accordance with section 123;

"(vii) support for a common management information system across employment, training, literacy, and human resource programs as identified in section 103;

"(viii) support for the identification of eligible training providers as required under section 124; and

"(ix) implementation of innovative programs for displaced homemakers and programs to increase the number of individuals training and placed in nontraditional employment.

"(C) Limitation.—Of the amount reserved by the Governor under subparagraph (A) not more than 5 percent of the total amount allotted to the State under section 312(b)(1) for a fiscal year may be used for administration by the State of programs under this part.

"(2) Dislocated workers employment and training.—

"(A) In general.—The Governor of the State shall reserve not more than 30 percent of the total amount allotted to the State under section 312(b)(2) for a fiscal year for statewide activities for employment, job training, and related assistance for dislocated workers.

"(B) Required activities.—Such activities shall include—

"(i) rapid response activities carried out by a designated State dislocated worker unit, working in conjunction with the local workforce development board and the chief elected official in an affected local workforce development area; and

"(ii) additional assistance to areas that experience disasters, mass layoffs or plant closings, or other events that precipitate substantial increases in the number of unemployed workers, working in conjunction with the local workforce development board and the chief elected official in affected local workforce development areas.

"(C) Discretionary activities.—Such activities may include those activities described in paragraph (1)(B).

"(D) Limitation.—Of the amount reserved by the Governor under subparagraph (A) not more than 10 percent of the total amount allotted to the State under section 312(b)(2) for a fiscal year may be used for activities described in paragraph (1)(B) and of that amount not more than 5 percent of the total amount allotted to the State under section 312(b)(2) for a fiscal year may be used for administration by the State of programs under this part.

"(b) Within State Allocation.—

"(1) Allocation.—

"(A) In general.—The Governor of the State shall allocate the remainder of the amounts allotted to the State under section 312 to workforce development areas designated under section 121 for the purpose of providing a single system of employment and training services for adults and dislocated workers in accordance with section 314.

"(B) Additional requirements.—(i) Funds allocated under paragraph (2)(B), shall be used by a local workforce development area to contribute proportionately to the costs of the local full service employment and training delivery system, and to pay for services provided to adults, in the local area, consistent with section 314.

"(ii) Funds allocated under paragraph (2)(C), shall be used by a local workforce development area to contribute proportionately to the costs of the local full service employment and training delivery system, and to pay for services provided to dislocated workers, in the local area, consistent with section 314.

"(2) Methods.—

"(A) In general.—The Governor, through the collaborative process under section 102, and after consultation with local chief elected officials in the local workforce development areas, shall allocate the remainder of funds described in subsection (a)(1)(A) for adult employment and training in accordance with subparagraph (B), and the funds described in subsection (a)(2)(A) for dislocated workers in accordance with subparagraph (C).

"(B) Adult employment and training formula.—In allocating the funds for adult employment and training, the individuals described in subparagraph (A) shall take into account—

"(i) the relative number of unemployed individuals residing in local areas of substantial unemployment within each workforce development area in the State as compared to the total number of such unemployed individuals in all such areas of substantial unemployment in the State;

"(ii) the relative excess number of unemployed individuals within each local workforce development area of the State as compared to the total excess number of unemployed individuals in the State;

"(iii) the relative number of economically disadvantaged adults within each workforce development area of the State as compared to the total number of economically disadvantaged adults in the State; and

"(iv) such other factors as determined appropriate by the State.

"(C) Dislocated worker formula.—In allocating funds for dislocated workers, individuals described in subparagraph (A) shall take into account—

"(i) the relative number of unemployed individuals residing in local areas of substantial unemployment within each workforce development area in the State as compared to the total number of such unemployed individuals in all such areas of substantial unemployment in the State;

"(ii) the relative excess number of unemployed individuals within each local workforce development area of the State as compared to the total excess number of unemployed individuals in the State;

"(iii) the relative number of individuals who have been unemployed for 15 weeks or more within each workforce development area of the State as compared to the total number of such unemployed individuals in the State; and

"(iv) such other factors as determined appropriate by the State, which may include—

"(I) insured unemployment data;

"(II) unemployment concentrations;

"(III) plant closing and mass layoff data;

"(IV) declining industries data;

"(V) farmer-rancher economic hardship data; and

"(VI) long-term unemployment data.

"(3) Additional factors.—In establishing the formulas described in paragraph (2), the Governor shall ensure that—

"(A) such formulas distribute funds equitably throughout the State;

"(B) no one factor described in paragraph (2) receives disproportionate weighting; and

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"(C) such formulas protect local workforce development areas from significant funding shifts from year to year.

"(4) TRANSFER AUTHORITY.—A local workforce development area is authorized to transfer up to 20 percent of the funds received under this subsection between adult employment and training and dislocated worker allocations if such transfer is approved by the Governor.

"SEC. 314. USE OF AMOUNTS.

"(a) CORE SERVICES.—Amounts allocated for adults under section 313(b)(2)(B) and for dislocated workers under section 313(b)(2)(C) shall be used to provide core services described in section 123(d) to adults and dislocated workers, respectively, through a full service employment and training delivery system in accordance with such section.

"(b) INTENSIVE SERVICES.—

"(1) IN GENERAL.—Amounts allocated for adults under section 313(b)(2)(B) and for dislocated workers under section 313(b)(2)(C) shall be used to provide intensive services to adults and dislocated workers, respectively—

"(A)(i) who are unable to obtain employment through core services under subsection (a); and

"(ii) who have been determined to be in need of more intensive services in order to gain employment; or

"(B)(i) who are employed but are economically disadvantaged despite such employment; and

"(ii) who are determined to be in need of such intensive services in order to gain employment that allows for self-sufficiency.

"(2) DELIVERY OF SERVICES.—Such intensive services shall be provided—

"(A) directly through full service eligible providers identified pursuant to section 123(c); or

"(B) through contracts through full service employment and training delivery systems with service providers approved by the local workforce development board, which may include private, for-profit providers.

"(3) TYPES OF SERVICES.—Such intensive services may include the following:

"(A) Comprehensive and specialized assessments of the skill levels and service needs of adults, which may include—

"(i) diagnostic testing and other assessment tools; and

"(ii) in-depth interviewing and evaluation to identify employment barriers and appropriate employment goals.

"(B) Development of an individual employment plan, to identify the employment goals, appropriate achievement objectives, and the appropriate combination of services for the participant to achieve the employment goal.

"(C) Group counseling.

"(D) Individual counseling and career planning.

"(E) Case management for participants receiving training services under subsection (c).

"(F) Follow-up services for participants placed in training or employment, for up to 1 year, to assist in retention or advancement in employment.

"(c) TRAINING SERVICES.—

"(1) IN GENERAL.—Amounts allocated for adults under section 313(b)(2)(B) and for dislocated workers under section 313(b)(2)(C) shall be used to provide training services to adults and dislocated workers, respectively—

"(A) who are unable to obtain employment through core services under subsection (a);

"(B) who are in need of training services in order to gain employment as a result of determinations made through—

"(i) initial assessments under subsection (a); or

"(ii) comprehensive and specialized assessments under subsection (b)(3)(A); or

"(C)(i) who are employed but are economically disadvantaged despite such employment; and

"(ii) who are determined to be in need of such training services in order to gain employment that allows for self-sufficiency.

"(2) PARTICIPANT QUALIFICATION.—

"(A) REQUIREMENTS.—Except as provided in subparagraph (B), provision of such training services shall be limited to participants who—

"(i) are unable to obtain other grant assistance for such services, including Federal Pell Grants established under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.); or "(ii) require assistance beyond the assistance made available under other grant assistance programs, including Federal Pell Grants.

"(B) REIMBURSEMENTS.—Training services may be provided under this subsection to an individual who otherwise meets the requirements of this subsection while an application for a Federal Pell Grant or other grant assistance is pending, except that if such individual is subsequently awarded a Federal Pell Grant or other grant assistance, appropriate reimbursement shall be made to the local workforce development area from such Federal Pell Grant or other grant assistance.

"(3) PROVIDER QUALIFICATION.—Such training services shall be provided through training providers identified under in accordance with section 124.

"(4) TYPES OF SERVICES.—Such training services may include the following:

"(A) Basic skills training, including remedial education, literacy training, and English literacy program instruction.

"(B) Occupational skills training, including training for nontraditional employment.

"(C) On-the-job training.

"(D) Programs that combine workplace training with related instruction, which may include cooperative education programs.

"(E) Training programs operated by the private sector.

"(F) Skill upgrading and retraining.

"(G) Entrepreneurial training.

"(H) Employability training to enhance basic workplace competencies.

"(I) Customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training.

"(5) INDIVIDUAL CHOICE REQUIREMENTS.—

"(A) IN GENERAL.—All training services under this section shall be provided through service delivery methods that, to the extent practicable, maximize consumer choice in the selection of eligible providers of training services.

"(B) INFORMATION ON ELIGIBLE PROVIDERS.—Each local workforce development board, through the full service employment and training delivery system, shall make available—

"(i) the list of eligible providers of training services required under section 124, with a description of the training courses available from such providers and a list of the names of on-the-job training providers; and

"(ii) the performance information described in section 124 relating to such providers.

"(C) PURCHASE OF SERVICES.—An individual eligible for training services under this section may select an eligible provider of training services from the list of providers described in subparagraph (B)(i). Upon such selection, the full service eligible provider shall, to the extent practicable, refer such individual to the selected eligible provider of training services and arrange for payment for such services.

"(6) ADDITIONAL REQUIREMENTS.—

"(A) USE OF SKILL GRANTS.—

"(i) IN GENERAL.—Except as provided in clause (ii) and clause (iii), training services under this section shall be provided through the use of skill grants in accordance with this subsection, and shall be distributed to eligible individuals through full service eligible providers or affiliated sites as described in section 123.

"(ii) EXCEPTIONS.—Training services authorized under this title may be provided pursuant to a contract for services in lieu of a skill grant if the requirements of paragraph (5) are met and if—

"(I) such services are on-the-job training provided by an employer;

"(II) the local workforce development board determines there are an insufficient number of qualified providers of training services in the workforce development area to accomplish the purposes of a skill grant system;

"(III) the local workforce development board determines that the qualified providers of training services in the workforce development area are unable to provide effective services to special participant populations; or

"(IV) the local workforce development board decides to enter into a direct training contract with a community based organization.

"(iii) TRANSITION.—Each State shall, not later than three years after the date of the enactment of the Employment, Training, and Literacy Enhancement Act of 1997, fully implement the requirements of clause (i). Nothing in this Act shall prohibit a State from beginning such implementation at an earlier date.

"(B) LINKAGE TO OCCUPATIONS IN DEMAND.—Training services under this subsection shall be directly linked to occupations for which there is a demand in the local workforce development area, or in another area to which an adult receiving such services is willing to relocate, except that a local workforce development board may approve training in occupations determined by the local board to be in sectors of the economy which have a high potential for sustained demand or growth in the local workforce development area.

"(d) ADDITIONAL USES OF AMOUNTS.—

"(1) SUPPORTIVE SERVICES.—Amounts allocated for adults under section 313(b)(2)(B) and for dislocated workers under section 313(b)(2)(C) may be used to provide supportive services for adults and dislocated workers, respectively—

"(A) who are receiving assistance under any of subsections (a) through (c); and

"(B) who are unable to receive such services through other programs providing such services.

"(2) NEEDS-RELATED PAYMENTS.—

"(A) IN GENERAL.—Amounts allocated under section 313(b) may be used to provide needs-related payments to adults and dislocated workers who are unemployed and do not qualify for (or have ceased to qualify for) unemployment compensation for the purpose of enabling such individuals to participate in training programs under subsection (c).

"(B) ADDITIONAL ELIGIBILITY REQUIREMENTS.—In addition to the requirements contained in subparagraph (A), a dislocated worker who has exhausted unemployment insurance benefits may be eligible to receive needs-related payments under this paragraph only if such worker was enrolled in training by the end of the 13th week of the worker's most recent layoff, or, if later, by the end of the 8th week after the worker is informed that a short-term layoff will in fact exceed 6 months.

"(e) PRIORITY.—From funds allocated to local workforce development areas for adult employment and training under section 313(b)(1)(B)(i), priority shall be given to welfare recipients and other economically disadvantaged individuals with multiple barriers to employment for receipt of intensive services and training services provided under subsections (b) and (c) of section 314, respectively.

"PART B—NATIONAL PROGRAMS

"SEC. 321. NATIONAL EMERGENCY GRANTS.

"(a) IN GENERAL.—From the amount reserved under section 312(a)(2), the Secretary of Labor is authorized to award national emergency grants in a timely manner—

"(1) to an entity described in subsection (b) to provide employment and training assistance to workers affected by major economic dislocations, such as plant closures, mass layoffs, or closures and realignments of military installations; and

"(2) to provide assistance to the Governor of any State within the boundaries of which is an area that has suffered an emergency or a major disaster as defined in paragraphs (1) and (2), respectively, of section 102 of The Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122(1) and (2)) (referred to in this section as the 'disaster area').

"(b) EMPLOYMENT AND TRAINING ASSISTANCE REQUIREMENTS.—

"(1) APPLICATION.—To be eligible to receive a grant under subsection (a)(1), an entity shall submit an application to the Secretary of Labor at such time, in such manner, and accompanied by such information, as the Secretary may reasonably require.

"(2) ELIGIBLE ENTITY.—For purposes of this section, the term 'entity' means a State, local workforce development board, employer or employer association, worker-management transition assistance committee or other employer-employee entity, representative of employees, community development corporation or community-based organization, or an industry consortia

"(c) DISASTER RELIEF EMPLOYMENT ASSISTANCE REQUIREMENTS.—

"(1) IN GENERAL.—Funds made available under subsection (a)(2)—

"(A) shall be used exclusively to provide employment on projects that provide food, clothing, shelter, and other humanitarian assistance for disaster victims, and projects regarding demolition, cleaning, repair, renovation, and reconstruction of damaged and destroyed structures, facilities, and lands located within the disaster area; and

"(B) may be expended through public and private agencies and organizations engaged in such projects.

"(2) ELIGIBILITY.—An individual shall be eligible to be offered disaster relief employment under this section if such individual is a dislocated worker or is temporarily or permanently laid off as a consequence of the disaster.

"(3) LIMITATIONS ON DISASTER RELIEF EMPLOYMENT.—No individual shall be employed under this part for more than 6 months for work related to recovery from a single natural disaster.

"SEC. 322. SKILL UPGRADING PROJECTS IN ENTERPRISE ZONES OR EMPOWERMENT COMMUNITIES.

"From funds made available under section 312(a)(2), the Secretary of Labor is authorized to award grants to assist projects that provide training to upgrade the skill of employed workers who reside and are employed in enterprise zones or empowerment communities.".

TITLE IV—AMENDMENTS TO FEDERALLY ADMINISTERED PROGRAMS

Subtitle A—Employment and Training Programs for Native Americans and Migrant and Seasonal Farmworkers

SEC. 401. NATIVE AMERICAN PROGRAM.

Section 401 of the Job Training Partnership Act (29 U.S.C. 1671) is amended to read as follows:

"SEC. 401. NATIVE AMERICAN PROGRAMS.

"(a) PURPOSE.—

"(1) IN GENERAL.—The purpose of this section is to support employment and training activities for Indian, Alaska Native, and Native Hawaiian individuals in order—

"(A) to develop more fully the academic, occupational, and literacy skills of such individuals;

"(B) to make such individuals more competitive in the workforce; and

"(C) to promote the economic and social development of Indian, Alaska Native, and Native Hawaiian communities in accordance with the goals and values of such communities.

"(2) INDIAN POLICY.—All programs assisted under this section shall be administered in a manner consistent with the principles of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) and the government-to-government relationship between the Federal Government and Indian tribal governments.

"(b) DEFINITIONS.—As used in this section:

"(1) ALASKA NATIVE.—The term 'Alaska Native' means a Native as such term is defined in section 3(b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(b)).

"(2) INDIAN, INDIAN TRIBE, AND TRIBAL ORGANIZATION.—The terms 'Indian', 'Indian tribe', and 'tribal organization' have the meanings given such terms in subsections (d), (e), and (l), respectively, of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

"(3) NATIVE HAWAIIAN AND NATIVE HAWAIIAN ORGANIZATION.—The terms 'Native Hawaiian' and 'Native Hawaiian organization' have the meanings given such terms in paragraphs (1) and (3), respectively, of section 9212 of the Native Hawaiian Education Act (20 U.S.C. 7912).

"(c) PROGRAM AUTHORIZED.—The Secretary of Labor shall make grants to, or enter into contracts or cooperative agreements with, Indian tribes, tribal organizations, Alaska Native entities, Indian-controlled organizations serving Indians, or Native Hawaiian organizations to carry out the authorized activities described in subsection (d).

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"(d) AUTHORIZED ACTIVITIES.—

"(1) IN GENERAL.—Funds made available under this section shall be used to carry out the activities described in paragraphs (2) and (3) that—

"(A) are consistent with this section; and

"(B) are necessary to meet the needs of Indians or Native Hawaiians preparing to enter, renter, or retain unsubsidized employment.

"(2) EMPLOYMENT AND TRAINING ACTIVITIES AND SUPPLEMENTAL SERVICES.—

"(A) IN GENERAL.—Funds made available under this section shall be used for—

"(i) comprehensive workforce and career development activities for Indians or Native Hawaiians; or

"(ii) supplemental services for Indian or Native Hawaiian youth on or near Indian reservations and in Oklahoma, Alaska, or Hawaii.

"(B) SPECIAL RULE.—Notwithstanding any other provision of this section, individuals who were eligible to participate in programs under section 401 of the Job Training Partnership Act (29 U.S.C. 1671) (as such section was in effect on the day before the date of enactment of this Act) shall be eligible to participate in an activity assisted under subparagraph (A)(i).

"(e) PROGRAM PLAN.—In order to receive a grant or enter into a contract or cooperative agreement under this section an entity described in subsection (c) shall submit to the Secretary of Labor a plan that describes a 2-year strategy for meeting the needs of Indian or Native Hawaiian individuals, as appropriate, in the area served by such entity. Such plan—

"(1) shall be consistent with the purposes of this section;

"(2) shall identify the population to be served;

"(3) shall identify the education and employment needs of the population to be served and the manner in which the services to be provided will strengthen the ability of the individuals served to obtain or retain unsubsidized employment;

"(4) shall describe the services to be provided and the manner in which such services are to be integrated with other appropriate services; and

"(5) shall describe the goals and benchmarks to be used to assess the performance of entities in carrying out the activities assisted under this section.

"(f) CONSOLIDATION OF FUNDS.—Each entity receiving assistance under this section may consolidate such assistance with assistance received from related programs in accordance with the provisions of the Indian Employment, Training and Related Services Demonstration Act of 1992 (25 U.S.C 3401 et seq.).

"(g) NONDUPLICATIVE AND NONEXCLUSIVE SERVICES.—Nothing in this section shall be construed—

"(1) to limit the eligibility of any entity described in subsection (c) to participate in any activity offered by a State or local entity under this Act; or

"(2) to preclude or discourage any agreement, between any entity described in subsection (c) and any State or local entity, to facilitate the provision of services by such entity or to the population served by such entity.

"(h) ADMINISTRATIVE PROVISIONS.—

"(1) ORGANIZATIONAL UNIT ESTABLISHED.—The Secretary of Labor shall designate a single organizational unit that shall have as its primary responsibility the administration of the activities authorized under this section.

"(2) REGULATIONS.—The Secretary of Labor shall consult with the entities described in subsection (c)(1) in establishing regulations to carry out this section, including performance measures for entities receiving assistance under such subsection, taking into account the economic circumstances of such groups, and in developing a funding distribution plan that takes into consideration previous levels of funding.

"(3) TECHNICAL ASSISTANCE.—The Secretary of Labor, through the unit established under paragraph (1), are authorized to provide technical assistance to entities described in subsection (c) that receive assistance under this section to enable such entities to improve the workforce and career development activities provided by such entities.".

SEC. 402. MIGRANT AND SEASONAL FARMWORKER PROGRAM.

Section 402 of the Job Training Partnership Act (29 U.S.C. 1672) is amended to read as follows:

"SEC. 402. MIGRANT AND SEASONAL FARMWORKER PROGRAM.

"(a) IN GENERAL.—The Secretary of Labor shall make grants to, or enter into contracts with, eligible entities to carry out the activities described in subsection (d).

"(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant or enter into a contract under this section, an entity shall have an understanding of the problems of migrant farmworkers and seasonal farmworkers, a familiarity with the area to be served, and the ability to demonstrate a capacity to administer effectively a diversified program of workforce and career development activities for migrant farmworkers and seasonal farmworkers.

"(c) PROGRAM PLAN.—

"(1) IN GENERAL.—To be eligible to receive a grant or enter into a contract under this section, an entity described in subsection (b) shall submit to the Secretary of Labor a plan that describes a 2-year strategy for meeting the needs of migrant farmworkers and seasonal farmworkers and their dependents in the area to be served by such entity.

"(2) CONTENTS.—Such plan shall—

"(A) identify the education and employment needs of the population to be served and the manner in which the services to be provided will strengthen the ability of the eligible farmworkers and dependents to obtain or be retained in unsubsidized employment or stabilize their unsubsidized employment;

"(B) describe the related assistance and supportive services to be provided and the manner in which such services are to be integrated and coordinated with other appropriate services; and

"(C) describe the goals and benchmarks to be used to assess the performance of such entity in carrying out the activities assisted under this section.

"(d) AUTHORIZED ACTIVITIES.—Funds made available under this section shall be used to carry out comprehensive workforce and career development activities and related services for migrant farmworkers and seasonal farmworkers which may include employment, training, educational assistance, literacy assistance, an English literacy program, worker safety training, housing, supportive services, and the continuation of the case management database on participating migrant farmworkers and seasonal farmworkers.

"(e) CONSULTATION WITH GOVERNORS AND LOCAL BOARDS.—In making grants and entering into contracts under this section, the Secretary of Labor shall consult with the Governors and local boards of the States in which the eligible entities will carry out the activities described in subsection (d).

"(f) REGULATIONS.—The Secretaries shall consult with migrant and seasonal farmworker groups and States in establishing regulations to carry out this section, including performance measures for eligible entities which take into account the economic circumstances of migrant farmworkers and seasonal farmworkers.

"(g) DEFINITIONS.—As used in this section:

"(1) MIGRANT FARMWORKER.—The term 'migrant farmworker' means a seasonal farmworker whose farm work requires travel such that the worker is unable to return to a permanent place of residence within the same day.

"(2) SEASONAL FARMWORKER.—The term 'seasonal farmworker' means a person who during the eligibility determination period (12 consecutive months out of 24 months prior to application)—

"(A) has been primarily employed in farm work that is characterized by chronic unemployment or under employment; and

"(B) is economically disadvantaged at the time of application.".

Subtitle B—Job Corps

SEC. 411. STATEMENT OF PURPOSE.

Section 421 of the Job Training Partnership Act (29 U.S.C. 1691) is amended in the first sentence by inserting after "a distinct national program" the following: "carried out in collaboration with States and localities".

SEC. 412. INDIVIDUALS ELIGIBLE FOR THE JOB CORPS.

Section 423 of the Job Training Partnership Act (29 U.S.C. 1693) is amended—

(1) in paragraph (1), by striking "14" and inserting "16";

(2) in paragraph (2), by striking ", and who requires" and all that follows and inserting a semicolon;

(3) by redesignating paragraphs (3), (4), and (5) as paragraphs (4), (5), and (6), respectively; and

(4) by inserting after paragraph (2) the following:

"(3) is an individual who—

"(A) is deficient in basic skills;

"(B) is a school dropout;

"(C) is homeless or a runaway;

"(D) is a single parent; or

"(E) requires additional education, training, or intensive counseling and related assistance in order to secure and hold meaningful employment, participate successfully in regular school work, qualify for other suitable training programs, or satisfy Armed Forces requirements;".

SEC. 413. SCREENING AND SELECTION OF APPLICANTS; GENERAL PROVISIONS.

Section 424(a) of the Job Training Partnership Act (29 U.S.C. 1694(a)) is amended—

(1) in the first sentence, by adding at the end before the period the following: "after considering input from State, local, and community groups and other interested parties";

(2) in the second sentence—

(A) by inserting after "public employment offices," the following: "full service eligible providers,"; and

(B) by striking "and agencies" and inserting "and entities"; and

(3) in the third sentence, by inserting after "The rules shall" the following: "require Job Corps applicants to pass background checks, conducted in accordance with procedures established by the Secretary, and".

SEC. 414. JOB CORPS CENTERS.

Section 427 of the Job Training Partnership Act (29 U.S.C. 1697) is amended—

(1) in subsection (a)(1), by adding at the end the following: "In selecting any entity to serve as an operator or to provide services for a Job Corps center, the Secretary shall take into consideration the previous performance of the entity, if any, relating to operating or providing services for a Job Corps center.";

(2) in subsection (c) to read as follows:

"(c) The Secretary may select an entity to operate a Civilian Conservation Center on a competitive basis if such a center fails to meet performance criteria established by the Secretary."; and

(3) by adding at the end the following:

"(d) Notwithstanding any other provision of law, any proceeds from the sale of Job Corps center facilities shall be retained by the Secretary to carry out the Job Corps program.".

SEC. 415. STANDARDS OF CONDUCT.

Section 430(a) of the Job Training Partnership Act (29 U.S.C. 1700(a)) is amended—

(1) in the first sentence, by adding at the end before the period the following: ", including a policy of zero tolerance for violence and illegal drugs under which enrollees will receive mandatory terminations for specific actions in accordance with regulations issued by the Secretary";

(2) by inserting after the first sentence the following: "As part of the zero tolerance policy, drug testing of all students shall be required in accordance with procedures established by the Secretary."; and

(3) in the third sentence, by inserting after "If violations" the following: "of center standards other than those covered by the zero tolerance policy".

SEC. 416. COUNSELING AND JOB PLACEMENT.

Section 432(b) of the Job Training Partnership Act (29 U.S.C. 1702(b)) is amended in the first sentence by inserting after "determine their capabilities and" the following: ", based on these capabilities,".

SEC. 417. EXPERIMENTAL AND DEVELOPMENTAL PROJECTS AND COORDINATION WITH OTHER PROGRAMS.

Section 433(c)(1) of the Job Training Partnership Act (29 U.S.C. 1703(c)(1)) is amended in the first sentence by striking "disseminate information" and inserting "disseminate to Federal, State, and local workforce development programs information and best practices".

Subtitle C—National Activities

SEC. 421. RESEARCH, DEMONSTRATION, EVALUATION, AND CAPACITY BUILDING.

Part D of the Job Training Partnership Act (29 U.S.C. 1731 et seq.) is amended by striking sections 451 through 454 and inserting the following:

"SEC. 451. RESEARCH, DEMONSTRATION, EVALUATION, AND CAPACITY BUILDING.

"(a) IN GENERAL.—The Secretary is authorized to establish and carry out research, demonstration, evaluation, and capacity building activities described in subsections (b) through (f).

“(b) National Partnership and Special Training.—The Secretary may award special grants to eligible entities to carry out programs that are most appropriately administered at the national level. Such activities may include—

“(1) partnership programs with national organizations with special expertise in developing, organizing, and administering employment and training services at the national, State, and local levels, such as industry and labor associations, public interest groups, community-based organizations representative of groups that encounter special difficulties in the labor market, and other organizations with special knowledge or capabilities in education and training; and

“(2) activities that—

“(A) address industry-wide skill shortages;

“(B) meet training needs that are best addressed on a multi-state basis;

“(C) further the goals of increasing the competitiveness of the United States labor force;

“(D) require technical expertise available at the national level to serve the needs of particular client groups that encounter significant barriers to employment and who the Secretary determines require special assistance; or

“(E) promote and experiment with model activities, pilot projects, and demonstration projects which further the goals and purposes of this Act.

“(c) Research.—The Secretary is authorized to conduct continuing research, which may include studies and other methods and techniques, that will aid in the solution of the employment and training problems of the United States. Such studies may include the extent to which individuals who participate in programs established under this title achieve self-sufficiency as a result of such participation, including the identification by States and localities, to the extent practicable, of indicators measuring such self-sufficiency.

“(d) Pilot and Demonstration Programs.—

“(1) In general.—The Secretary is authorized to conduct pilot and demonstration programs for the purpose of developing and improving techniques and demonstrating the effectiveness of specialized methods in addressing employment and training needs which may include—

“(A) the establishment of advanced manufacturing technology skill centers developed through local partnerships of industry, labor, education, community-based organizations, and economic development organizations to meet unmet, high-tech skills of local communities;

“(B) programs conducted jointly with the Department of Defense to develop training programs utilizing computer-based and other innovative learning technologies;

“(C) projects that promote the use of distance learning, enabling students to take courses through the use of media technology such as videos, teleconferencing computers, and the Internet;

“(D) projects that assist in providing comprehensive services to increase the employment rates of out-of-school youth residing in targeted high poverty areas within empowerment zones and enterprise communities;

“(E) the establishment of partnerships with national organizations with special expertise in developing, organizing, and administering employment and training services for persons with disabilities at the national, State, and local levels; and

“(F) projects that assist local workforce development areas to develop and implement local self-sufficiency standards to evaluate the degree to which program participants are achieving self-sufficiency.

“(2) Grants and contracts.—The Secretary may award grants and enter into contracts with entities to carry out this subsection.

“(3) Evaluation and effectiveness.—Demonstration programs assisted under this subsection shall include a formal, rigorous evaluation component. Pilot programs assisted under this subsection shall include an appropriate evaluation component.

“(4) Special rule.—A demonstration program under this subsection may not be assisted under this subsection for a period of more than 7 years. A pilot program under this subsection may not be assisted under this subsection for a period of more than 3 years.

“(e) Evaluation.—

“(1) Activities.—

“(A) Job training.—The Secretary shall provide for the continuing evaluation of programs conducted under this Act.

“(B) Other programs.—The Secretary may conduct evaluations of federally-funded employment-related activities under other provisions of law.

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"(2) TECHNIQUES.—

"(A) METHODS.—Evaluations conducted under paragraph (1) shall utilize sound statistical methods and techniques for the behavioral and social sciences, including the use of control groups chosen by scientific random assignment methodologies when feasible.

"(B) EFFECTIVENESS.—The Secretary shall evaluate the effectiveness of programs authorized under this Act with respect to—

"(i) the statutory goals; and

"(ii) the cost effectiveness and return-on-investment of such programs based on the extent to which the programs—

"(I) enhance the employment and earnings of participants;

"(II) reduce income support costs (including the receipt of welfare assistance);

"(III) improve the employment competencies of participants in comparison to comparable persons who did not participate in such programs; and

"(IV) to the extent feasible, increase the level of total employment over the level that would have existed in the absence of such programs.

"(f) TECHNICAL ASSISTANCE, DISSEMINATION, AND REPLICATION ACTIVITIES.—The Secretary shall provide, coordinate, and support the development of, appropriate training, technical assistance, staff development, and other activities, including assistance in replicating programs of demonstrated effectiveness, to States and localities.

"SEC. 452. INCENTIVE GRANTS.

"From amounts authorized to be appropriated pursuant to section 3(a)(3) to carry out this part for a fiscal year, the Secretary is authorized to award incentive grants to States consistent with the requirements of section 156(a).".

SEC. 422. NONTRADITIONAL EMPLOYMENT DEMONSTRATION PROGRAM.

Section 456 of the Job Training Partnership Act (29 U.S.C. 1737) is hereby repealed.

Subtitle D—Repealers

SEC. 451. REPEALERS.

Parts F, G, H, I, and J of title IV of the Job Training Partnership Act (29 U.S.C. 1771 et seq.) are hereby repealed.

TITLE V—AMENDMENTS TO ADULT EDUCATION PROGRAMS

SEC. 501. REPEAL OF JOBS FOR EMPLOYABLE DEPENDENT INDIVIDUALS INCENTIVE BONUS PROGRAM.

Title V of the Job Training Partnership Act (29 U.S.C. 1791 et seq.) is repealed.

SEC. 502. AMENDMENT TO ADULT EDUCATION ACT.

The Adult Education Act (20 U.S.C. 1201 et seq.) is amended to read as follows:

"TITLE III—ADULT EDUCATION AND FAMILY LITERACY PROGRAMS

"SEC. 301. SHORT TITLE.

"This title may be cited as the 'Adult Education and Family Literacy Act'.

"SEC. 302. STATEMENT OF PURPOSE.

"It is the purpose of this title to assist States and outlying areas to provide—

"(1) to adults, the basic educational skills necessary for employment and self-sufficiency; and

"(2) to adults who are parents, the educational skills necessary to be full partners in the educational development of their children.

"SEC. 303. DEFINITION.

"For purposes of this title:

"(1) ADULT EDUCATION.—The term 'adult education' means services or instruction below the postsecondary level for individuals—

"(A) who have attained 16 years of age;

"(B) who are not enrolled or required to be enrolled in secondary school under State law; and

"(C) who—

"(i) lack sufficient mastery of basic educational skills to enable the individuals to function effectively in society;

"(ii) do not have a certificate of graduation from a school providing secondary education and who have not achieved an equivalent level of education; or

"(iii) are unable to speak, read, or write the English language.

"(2) ADULT EDUCATION AND LITERACY ACTIVITIES.—The term 'adult education and literacy activities' has the meaning given such term in section 4 of the Employment, Training, and Literacy Enhancement Act.

"(3) COMMUNITY-BASED ORGANIZATION.—The term 'community-based organization' has the meaning given such term in section 4 of the Employment, Training, and Literacy Enhancement Act.

"(4) DIRECT AND EQUITABLE ACCESS.—The term 'direct and equitable access', when used with respect to the requirement in section 313(c)(2), means that—

"(A) all eligible providers are given the same opportunity to apply for and receive funds under part A; and

"(B) the same announcement and application process is used for all eligible providers.

"(5) ELIGIBLE AGENCY.—The term 'eligible agency' means—

"(A) the individual, entity, or agency in a State or an outlying area responsible for administering or setting policies for adult education and literacy services in such State or outlying area pursuant to the law of the State or outlying area; or

"(B) if no individual, entity, or agency is responsible for administering or setting such policies pursuant to the law of the State or outlying area, the individual, entity, or agency in a State or outlying area responsible for administering or setting policies for adult education and literacy services in such State or outlying area on the date of the enactment of the Employment, Training, and Literacy Enhancement Act of 1997.

"(6) ELIGIBLE PROVIDER.—The term 'eligible provider', used with respect to adult education and literacy activities described in section 314(b), means a provider determined to be eligible for assistance in accordance with section 313.

"(7) ENGLISH LITERACY PROGRAM.—The term 'English literacy program' has the meaning given such term in section 4 of the Employment, Training, and Literacy Enhancement Act.

"(8) FAMILY LITERACY SERVICES.—The term 'family literacy services' has the meaning given such term in section 4 of the Employment, Training, and Literacy Enhancement Act.

"(9) INDIVIDUAL OF LIMITED ENGLISH PROFICIENCY.—The term 'individual of limited English proficiency' has the meaning given such term in section 4 of the Employment, Training, and Literacy Enhancement Act.

"(10) INDIVIDUAL WITH A DISABILITY.—The terms 'individual with a disability' and 'individuals with disabilities' have the meaning given such terms in section 4 of the Employment, Training, and Literacy Enhancement Act.

"(11) LITERACY.—The term 'literacy' has the meaning given such term in section 4 of the Employment, Training, and Literacy Enhancement Act.

"(12) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' has the meaning given such term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

"(13) OUTLYING AREA.—The term 'outlying area' has the meaning given such term in section 4 of the Employment, Training, and Literacy Enhancement Act.

"(14) POSTSECONDARY EDUCATIONAL INSTITUTION.—The term 'postsecondary educational institution' has the meaning given such term in section 4 of the Employment, Training, and Literacy Enhancement Act.

"(15) SECRETARY.—The term 'Secretary' means the Secretary of Education.

"(16) STATE.—The term 'State' has the meaning given such term in section 4 of the Employment, Training, and Literacy Enhancement Act.

"SEC. 304. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—There are authorized to be appropriated to carry out this title such sums as may be necessary for fiscal years 1998 through 2003.

"(b) RESERVATION OF FUNDS FOR NATIONAL LEADERSHIP ACTIVITIES.—For any fiscal year, the Secretary shall reserve—

"(1) 1.5 percent of the amount appropriated under subsection (a) (but not more than $6,500,000) to carry out section 321; and

"(2) 1.5 percent of the amount appropriated under subsection (a) (but not more than $6,500,000) to establish and carry out the program of national leadership and evaluation activities described in section 322.

"PART A—GRANTS TO ELIGIBLE AGENCIES

"SEC. 311. AUTHORITY TO MAKE GRANTS.

"(a) IN GENERAL.—In the case of each eligible agency that in accordance with section 101 of the Employment, Training, and Literacy Enhancement Act submits to the Secretary a plan, the Secretary shall make a grant for each fiscal year for which such plan is in effect to the eligible agency for the purpose specified in subsection (b). The grant shall consist of the initial and additional allotments determined for the eligible agency under section 312.

"(b) PURPOSE OF GRANTS.—The Secretary may make a grant under subsection (a) only if the applicant involved agrees to expend the grant for adult education and literacy activities in accordance with the provisions of this part.

"SEC. 312. ALLOTMENTS.

"(a) INITIAL ALLOTMENTS.—From the sums available for the purpose of making grants under this part for any fiscal year, the Secretary shall allot to each eligible agency that in accordance with section 101 of the Employment, Training, and Literacy Enhancement Act submits to the Secretary a plan for the year an initial amount as follows:

"(1) $100,000, in the case of an eligible agency of the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

"(2) $250,000, in the case of any other eligible agency.

"(b) ADDITIONAL ALLOTMENTS.—

"(1) IN GENERAL.—From the remainder available for the purpose of making grants under this part for any fiscal year after the application of subsection (a), the Secretary shall allot to each eligible agency that receives an initial allotment under such subsection an additional amount that bears the same relationship to such remainder as the number of qualifying adults in the State or outlying area of the agency bears to the number of such adults in all States and outlying areas.

"(2) QUALIFYING ADULT.—For purposes of this subsection, the term 'qualifying adult' means an adult who—

"(A) is at least 16 years of age, but less than 61 years of age;

"(B) is beyond the age of compulsory school attendance under the law of the State or outlying area;

"(C) does not have a certificate of graduation from a school providing secondary education and has not achieved an equivalent level of education; and

"(D) is not currently enrolled in secondary school.

"(c) SPECIAL RULE.—

"(1) IN GENERAL.—Using funds not to exceed the amount appropriated and reserved under the Adult Education Act for fiscal year 1997 for the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau, the Secretary shall award grants, from funds made available under subsections (a) and (b), to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau to carry out activities described in this part in accordance with the provisions of this part that the Secretary determines are not inconsistent with this subsection.

"(2) AWARD BASIS.—The Secretary shall award grants pursuant to paragraph (1) on a competitive basis and pursuant to recommendations from the Pacific Region Educational Laboratory in Honolulu, Hawaii.

"(3) TERMINATION OF ELIGIBILITY.—Notwithstanding any other provision of law, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau shall not receive any funds under this part for any fiscal year that begins after September 30, 2001.

"(4) ADMINISTRATIVE COSTS.—The Secretary may provide not more than 5 percent of the funds made available for grants under this subsection to pay the administrative costs of the Pacific Region Educational Laboratory regarding activities assisted under this subsection.

"(d) HOLD-HARMLESS.—

"(1) IN GENERAL.—Notwithstanding subsection (a)—

"(A) for fiscal year 1998, no eligible agency shall receive an allotment that is less than 90 percent of the payments made to the State of the agency for fiscal year 1997 for programs for which funds were authorized to be appropriated under section 313 of the Adult Education Act (as such Act was in effect on the day before the date of the enactment of the Employment, Training, and Literacy Enhancement Act of 1997); and

"(B) for fiscal year 1999 and each succeeding fiscal year, no eligible agency shall receive an allotment that is less than 90 percent of the amount the agency received for the preceding fiscal year for programs under this Act.

"(2) RATABLE REDUCTION.—If for any fiscal year the amount available for allotment under this section is insufficient to satisfy the provisions of paragraph (1), the Secretary shall ratably reduce the payments to all eligible agencies, as necessary.

"(e) REALLOTMENT.—The portion of any eligible agency's allotment under subsection (a) or (b) for a fiscal year that the Secretary determines will not be required for the period such allotment is available for carrying out activities under this part, shall be available for reallotment from time to time, on such dates during such period as the Secretary shall fix, to other eligible agencies in proportion to the original allotments to such agencies under such subsection for such year.

"SEC. 313. USE OF FUNDS.

"(a) IN GENERAL.—Of the sum that is made available under this part to an eligible agency for any program year—

"(1) not less than 85 percent shall be made available to award grants in accordance with this section to carry out adult education and literacy activities; and

"(2) not more than 15 percent shall be made available to carry out activities described in section 314(a), of which not more than 5 percentage points, or $50,000, whichever is greater, shall be made available for administrative expenses at the State level (or the level of the outlying area).

"(b) GRANTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), from the amount made available to an eligible agency for adult education and literacy under subsection (a)(1) for a program year, such agency shall award grants, on a competitive basis, to local educational agencies, correctional education agencies, community-based organizations of demonstrated effectiveness, volunteer literacy organizations, libraries, public or private nonprofit agencies, postsecondary educational institutions, public housing authorities, and other nonprofit institutions, that have the ability to provide literacy services to adults and families, or consortia of agencies, organizations, or institutions described in this subsection, to enable such agencies, organizations, institutions, and consortia to carry out adult education and literacy activities.

"(2) CONSORTIA.—An eligible agency may award a grant under this section to a consortium that includes a provider described in paragraph (1) and a for-profit agency, organization, or institution, if such agency, organization, or institution—

"(A) can make a significant contribution to carrying out the objectives of this title; and

"(B) enters into a contract with such provider to carry out adult education and literacy activities.

"(c) GRANT REQUIREMENTS.—

"(1) REQUIRED LOCAL ACTIVITIES.—An eligible agency shall require that each provider receiving a grant under this section use the grant in accordance with section 314(b).

"(2) EQUITABLE ACCESS.—Each eligible agency awarding a grant under this section for adult education and literacy activities shall ensure that the providers described in subsection (b) will be provided direct and equitable access to all Federal funds provided under this section.

"(3) SPECIAL RULE.—Each eligible agency awarding a grant under this section shall not use any funds made available under this title for adult education and literacy activities for the purpose of supporting or providing programs, services, or activities for individuals who are not individuals described in subparagraphs (A) and (B) of section 303(1), except that such agency may use such funds for such purpose if such programs, services, or activities are related to family literacy services.

“(4) CONSIDERATIONS.—In awarding grants under this section, the eligible agency shall consider—

“(A) the past effectiveness of a provider described in subsection (b) in providing services (especially with respect to recruitment and retention of educationally disadvantaged adults and the learning gains demonstrated by such adults);

“(B) the degree to which the provider will establish measurable goals for client outcomes, such as levels of literacy achieved and the attainment of a high school diploma or its equivalent, that are tied to challenging State performance standards for literacy proficiency;

“(C) the degree to which the program is staffed by well-trained instructors and administrators;

“(D) the degree to which the provider will coordinate with other available resources in the community, such as by establishing strong links with elementary and secondary schools, postsecondary educational institutions, full service employment and training delivery centers, job training programs, and other literacy and social service available in the community;

“(E) the commitment of the provider to serve individuals in the community who are most in need of literacy services, including individuals who are low income, who have minimal literacy skills, or both;

“(F) whether or not the program is of sufficient intensity and duration for participants to achieve substantial learning gains;

“(G) the degree to which the provider will offer flexible schedules and necessary support services (such as child care and transportation) to enable individuals, including individuals with disabilities or other special needs, to participate in adult education and literacy activities;

“(H) whether such provider has been successful in recruiting, retaining, and improving the literacy skills of, individuals; and

“(I) whether, not later than 1 year after the date of the enactment of the Employment, Training, and Literacy Enhancement Act of 1997, such provider has been successful in retraining and improving the literacy skills of individuals, consistent with the core indicators of performance set forth in section 154 of the Employment, Training, and Literacy Enhancement Act.

“(d) LOCAL ADMINISTRATIVE COST LIMITS.—

“(1) IN GENERAL.—Except as provided in paragraph (2), of the funds provided under this section by an eligible agency to a provider described in subsection (b), not less than 95 percent shall be expended for provision of adult education and literacy activities. The remainder shall be used for planning, administration, personnel development, and interagency coordination.

“(2) SPECIAL RULE.—In cases where the cost limits described in paragraph (1) will be too restrictive to allow for adequate planning, administration, personnel development, and interagency coordination supported under this section, the eligible agency shall negotiate with the provider described in subsection (b) in order to determine an adequate level of funds to be used for noninstructional purposes.

“SEC. 314. ADULT EDUCATION AND LITERACY ACTIVITIES.

“(a) PERMISSIBLE AGENCY ACTIVITIES.—An eligible agency may use funds made available to the eligible agency under section 313(a)(2) for activities that may include—

“(1) the establishment or operation of professional development programs to improve the quality of instruction provided pursuant to local activities required under subsection (b), including instruction provided by volunteers or by personnel of a State or outlying area;

“(2) the provision of technical assistance to eligible providers of activities authorized under this section;

“(3) the provision of technology assistance, including staff training, to eligible providers of activities authorized under this section to enable the providers to improve the quality of such activities;

“(4) the support of State or regional networks of literacy resource centers;

“(5) the monitoring and evaluation of the quality of, and the improvement in, activities and services authorized under this section;

“(6) incentives for—

"(A) program coordination and integration; and

"(B) performance awards;

"(7) developing and disseminating curricula;

"(8) other activities of statewide significance that promote the purposes of this title; and

"(9) the provision of support services, such as transportation, child care, and other assistance designed to increase rates of enrollment in, and successful completion of, adult education and literacy activities, to adults enrolled in such activities.

"(b) REQUIRED LOCAL ACTIVITIES.—The eligible agency shall require that each eligible provider receiving a grant under section 313 use the grant to establish or operate 1 or more programs that provide instruction or services in 1 or more of the following categories:

"(1) Adult education and literacy services, including services provided on the work site.

"(2) Family literacy services.

"(3) English literacy programs.

"(c) STATE-IMPOSED REQUIREMENTS.—Whenever a State implements any rule or policy relating to the administration or operation of a program authorized under this title that has the effect of imposing a requirement that is not imposed under Federal law (including any rule or policy based on a State interpretation of a Federal statute, regulation, or guideline), it shall identify, to eligible providers, the rule or policy as being State-imposed.

"SEC. 315. FISCAL REQUIREMENTS AND RESTRICTIONS RELATED TO USE OF FUNDS.

"(a) SUPPLEMENT NOT SUPPLANT.—Funds made available under this part for adult education and literacy activities shall supplement, and may not supplant, other public funds expended to carry out activities described in section 314.

"(b) MAINTENANCE OF EFFORT.—

"(1) IN GENERAL.—

"(A) DETERMINATION.—An eligible agency may receive funds under this Act for any fiscal year if the Secretary finds that the fiscal effort per student or the aggregate expenditures of such eligible agency for adult education and literacy, in the second preceding fiscal year, was not less than 90 percent of the fiscal effort per student or the aggregate expenditures of such eligible agency for adult education and literacy, in the third preceding fiscal year.

"(B) PROPORTIONATE REDUCTION.—Subject to paragraphs (2), (3), and (4), for any program year with respect to which the Secretary determines under subparagraph (A) that the fiscal effort and the aggregate expenditures of an eligible agency for the preceding program year were less than such effort and expenditures for the second preceding program year, the Secretary—

"(i) shall determine the percentage decreases in such effort and in such expenditures; and

"(ii) shall decrease the payment made under this part for such program year to the agency for adult education and literacy activities by the lesser of such percentages.

"(2) COMPUTATION.—In computing the fiscal effort and aggregate expenditures under paragraph (1), the Secretary shall exclude capital expenditures and special one-time project costs.

"(3) DECREASE IN FEDERAL SUPPORT.—If the amount made available for adult education and literacy activities under this part for a fiscal year is less than the amount made available for adult education and literacy activities under this part for the preceding fiscal year, then the fiscal effort per student and the aggregate expenditures of an eligible agency required in order to avoid a reduction under paragraph (1)(B) shall be decreased by the same percentage as the percentage decrease in the amount so made available.

"(4) WAIVER.—The Secretary may waive the requirements of this subsection for 1 fiscal year only, if the Secretary determines that a waiver would be equitable due to exceptional or uncontrollable circumstances, such as a natural disaster or an unforeseen and precipitous decline in the financial resources of the State of the eligible agency. If the Secretary grants a waiver under the preceding sentence for a fiscal year, the level of effort required under paragraph (1) shall not be reduced in the subsequent fiscal year because of the waiver.

"(c) EXPENDITURES OF NON-FEDERAL FUNDS FOR ADULT EDUCATION AND LITERACY ACTIVITIES.—For any program year for which a grant is made to an eligible agency under this part, the eligible agency shall expend, on programs and activities relating to adult education and literacy activities, an amount, derived from sources other than the Federal Government, equal to 25 percent of the amount made available to the eligible agency under this part for adult education and literacy activities.

"PART B—NATIONAL PROGRAMS

"SEC. 321. NATIONAL INSTITUTE FOR LITERACY.

"(a) PURPOSE.—The National Institute for Literacy shall—

"(1) provide national leadership with respect to literacy in the United States;

"(2) coordinate literacy services; and

"(3) serve as a national resource for adult education and family literacy by providing the best and most current information available and supporting the creation of new ways to offer services of proven effectiveness.

"(b) ESTABLISHMENT.—

"(1) IN GENERAL.—There is established the National Institute for Literacy (in this section referred to as the 'Institute'). The Institute shall be administered under the terms of an interagency agreement entered into by the Secretary of Education with the Secretary of Labor and the Secretary of Health and Human Services (in this section referred to as the 'Interagency Group'). The Interagency Group may include in the Institute any research and development center, institute, or clearinghouse established within the Department of Education, the Department of Labor, or the Department of Health and Human Services whose purpose is determined by the Interagency Group to be related to the purpose of the Institute.

"(2) OFFICES.—The Institute shall have offices separate from the offices of the Department of Education, the Department of Labor, and the Department of Health and Human Services.

"(3) BOARD RECOMMENDATIONS.—The Interagency Group shall consider the recommendations of the National Institute for Literacy Advisory Board (in this section referred to as the 'Board') established under subsection (d) in planning the goals of the Institute and in the implementation of any programs to achieve such goals.

"(4) DAILY OPERATIONS.—The daily operations of the Institute shall be carried out by the Director of the Institute appointed under subsection (g).

"(c) DUTIES.—

"(1) IN GENERAL.—In order to provide leadership for the improvement and expansion of the system for delivery of literacy services, the Institute is authorized—

"(A) to establish, and make accessible, a national electronic data base of information that disseminates information to the broadest possible audience within the literacy and basic skills field, and that includes—

"(i) effective practices in the provision of literacy and basic skills instruction, including the integration of such instruction with occupational skills training;

"(ii) public and private literacy and basic skills programs and Federal, State, and local policies affecting the provision of literacy services at the national, State, and local levels;

"(iii) opportunities for technical assistance, meetings, conferences, and other opportunities that lead to the improvement of literacy and basic skills services; and

"(iv) a communication network for literacy programs, providers, social service agencies, and students;

"(B) to coordinate support for the provision of literacy and basic skills services across Federal agencies and at the State and local levels;

"(C) to coordinate the support of research and development on literacy and basic skills in families and adults across Federal agencies, especially with the Office of Educational Research and Improvement in the Department of Education, and to carry out basic and applied research and development on topics that are not being investigated by other organizations or agencies;

"(D) to collect and disseminate information on methods of advancing literacy that show great promise;

"(E) funding a network of State or regional adult literacy resource centers to assist State and local public and private nonprofit efforts to improve literacy by—

"(i) encouraging the coordination of literacy services;

"(ii) carrying out evaluations of the effectiveness of adult education and literacy activities;

"(iii) enhancing the capacity of State and local organizations to provide literacy services; and

"(iv) serving as a reciprocal link between the Institute and providers of adult education and literacy activities for the purpose of sharing information, data, research, expertise, and literacy resources;

"(F) to coordinate and share information with national organizations and associations that are interested in literacy and workforce development;

"(G) to inform the development of policy with respect to literacy and basic skills; and

"(H) to undertake other activities that lead to the improvement of the Nation's literacy delivery system and that complement other such efforts being undertaken by public and private agencies and organizations.

"(2) GRANTS, CONTRACTS, AND AGREEMENTS.—The Institute may make grants to, or enter into contracts or cooperative agreements with, individuals, public or private institutions, agencies, organizations, or consortia of such institutions, agencies, or organizations to carry out the activities of the Institute. Such grants, contracts, or agreements shall be subject to the laws and regulations that generally apply to grants, contracts, or agreements entered into by Federal agencies.

"(d) LITERACY LEADERSHIP.—

"(1) FELLOWSHIPS.—The Institute, in consultation with the Board, may award fellowships, with such stipends and allowances as the Director considers necessary, to outstanding individuals pursuing careers in adult education or literacy in the areas of instruction, management, research, or innovation.

"(2) USE OF FELLOWSHIPS.—Fellowships awarded under this subsection shall be used, under the auspices of the Institute, to engage in research, education, training, technical assistance, or other activities to advance the field of adult education or literacy, including the training of volunteer literacy providers at the national, State, or local level.

"(3) INTERNS AND VOLUNTEERS.—The Institute, in consultation with the Board, may award paid and unpaid internships to individuals seeking to assist the Institute in carrying out its mission. Notwithstanding section 1342 of title 31, United States Code, the Institute may accept and use voluntary and uncompensated services as the Institute determines necessary.

"(e) NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD.—

"(1) ESTABLISHMENT.—

"(A) IN GENERAL.—There is established a National Institute for Literacy Advisory Board. The Board shall consist of 10 individuals, appointed by the Interagency Group, from individuals who—

"(i) are not otherwise officers or employees of the Federal Government; and

"(ii) are representative of entities or groups described in subparagraph (B).

"(B) ENTITIES OR GROUPS DESCRIBED.—The entities or groups referred to in subparagraph (A) are—

"(i) literacy organizations and providers of literacy services, including—

"(I) nonprofit providers of literacy services;

"(II) providers of programs and services involving English language instruction; and

"(III) providers of services receiving assistance under this title;

"(ii) businesses that have demonstrated interest in literacy programs;

"(iii) literacy students;

"(iv) experts in the area of literacy research;

"(v) State and local governments;

"(vi) representatives of employees; and

"(vii) State directors of adult education.

"(2) DUTIES.—The Board—

"(A) shall make recommendations concerning the appointment of the Director and staff of the Institute;

"(B) shall provide independent advice on the operation of the Institute; and

"(C) shall receive reports from the Interagency Group and the Director.

"(3) FEDERAL ADVISORY COMMITTEE ACT.—Except as otherwise provided, the Board established by this subsection shall be subject to the provisions of the Federal Advisory Committee Act (5 U.S.C. App.).

"(4) TERMS.—

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"(A) IN GENERAL.—Each member of the Board shall be appointed for a term of 3 years, except that the initial terms for members may be 1, 2, or 3 years in order to establish a rotation in which ⅓ of the members are selected each year. Any such member may be appointed for not more than 2 consecutive terms.

"(B) VACANCY APPOINTMENTS.—Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of that member's term until a successor has taken office. A vacancy in the Board shall be filled in the manner in which the original appointment was made. A vacancy in the Board shall not affect the powers of the Board.

"(5) QUORUM.—A majority of the members of the Board shall constitute a quorum but a lesser number may hold hearings. Any recommendation of the Board may be passed only by a majority of the Board's members present.

"(6) ELECTION OF OFFICERS.—The Chairperson and Vice Chairperson of the Board shall be elected by the members of the Board. The term of office of the Chairperson and Vice Chairperson shall be 2 years.

"(7) MEETINGS.—The Board shall meet at the call of the Chairperson or a majority of the members of the Board.

"(f) GIFTS, BEQUESTS, AND DEVISES.—The Institute may accept, administer, and use gifts or donations of services, money, or property, both real and personal.

"(g) MAILS.—The Board and the Institute may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

"(h) DIRECTOR.—The Interagency Group, after considering recommendations made by the Board, shall appoint and fix the pay of a Director.

"(i) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Director and staff of the Institute may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the maximum rate payable under section 5376 of title 5, United States Code.

"(j) EXPERTS AND CONSULTANTS.—The Board and the Institute may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

"(k) REPORT.—The Institute shall submit a report biennially to the committees of the United States House of Representatives and the Senate having jurisdiction over this title. Each report submitted under this subsection shall include—

"(1) a comprehensive and detailed description of the Institute's operations, activities, financial condition, and accomplishments in the field of literacy for the period covered by the report;

"(2) a description of how plans for the operation of the Institute for the succeeding two fiscal years will facilitate achievement of the goals of the Institute and the goals of the literacy programs within the Department of Education, the Department of Labor, and the Department of Health and Human Services; and

"(3) any additional minority, or dissenting views submitted by members of the Board.

"(l) FUNDING.—Any amounts appropriated to the Secretary of Education, the Secretary of Labor, or the Secretary of Health and Human Services for purposes that the Institute is authorized to perform under this section may be provided to the Institute for such purposes.

"SEC. 322. NATIONAL LEADERSHIP ACTIVITIES.

"The Secretary shall establish and carry out a program of national leadership activities to enhance the quality of adult education and family literacy programs nationwide. Such activities may include the following:

"(1) Providing technical assistance to recipients of assistance under part A in developing and using benchmarks and performance measures for improvement of adult education and literacy activities, including family literacy services.

"(2) Awarding grants, on a competitive basis, to a postsecondary educational institution, a public or private organization or agency, or a consortium of such institutions, organizations, or agencies to carry out research and technical assistance—

"(A) for the purpose of developing, improving, and identifying the most successful methods and techniques for addressing the education needs of adults; and

"(B) to increase the effectiveness of, and improve the quality of, adult education and literacy activities, including family literacy services.

"(3) Providing for the conduct of an independent evaluation and assessment of adult education and literacy activities, through studies and analyses conducted independently through grants and contracts awarded on a competitive basis. Such evaluation and assessment shall include descriptions of—

"(A) the effect of benchmarks, performance measures, and other measures of accountability on the delivery of adult education and literacy activities, including family literacy services;

"(B) the extent to which the adult education and literacy activities, including family literacy services, increase the literacy skills of adults (and of children, in the case of family literacy services), lead the participants in such activities to involvement in further education and training, enhance the employment and earnings of such participants, and, if applicable, lead to other positive outcomes, such as reductions in recidivism in the case of prison-based adult education and literacy services;

"(C) the extent to which the provision of support services to adults enrolled in adult education and family literacy programs increases the rates of enrollment in, and successful completion of, such programs; and

"(D) the extent to which eligible agencies have distributed funds part A to meet the needs of adults through community-based organizations.

"(4) Carrying out demonstration programs, replicating model programs, disseminating best practices information, and providing technical assistance, for the purposes of developing, improving, and identifying the most successful methods and techniques for providing the activities assisted under part A.

"(5) Other activities designed to enhance the quality of adult education and literacy nationwide, such as providing incentive grants to States consistent with section 156 of the Employment, Training, and Literacy Enhancement Act.".

SEC. 503. REPEAL OF NATIONAL LITERACY ACT OF 1991.

The National Literacy Act of 1991 (Public Law 102–73; 105 Stat. 333) is hereby repealed.

SEC. 504. CONFORMING AMENDMENTS.

(a) REFUGEE EDUCATION ASSISTANCE ACT.—Subsection (b) of section 402 of the Refugee Education Assistance Act of 1980 (8 U.S.C. 1522 note) is hereby repealed.

(b) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—

(1) SECTION 1206 OF ESEA.—Section 1206(a)(1)(A) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6366(a)(1)(A)) is amended by striking "an adult basic education program" and inserting "adult education and literacy activities".

(2) SECTION 3113 OF ESEA.—Section 3113(1) of such Act (20 U.S.C. 6813(1)) is amended by striking "section 312 of the Adult Education Act;" and inserting "section 303 of the Adult Education and Family Literacy Act;".

(3) SECTION 9161 OF ESEA.—Section 9161(2) of such Act (20 U.S.C. 7881(2)) is amended by striking "section 312(2) of the Adult Education Act." and inserting "section 303 of the Adult Education and Family Literacy Act.".

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 601. REPEALERS.

(a) AMENDMENTS TO THE WAGNER-PEYSER ACT.—Section 601 of the Job Training Partnership Act is hereby repealed.

(b) AMENDMENTS TO PART C OF TITLE IV OF THE SOCIAL SECURITY ACT.—Section 602 of the Job Training Partnership Act is hereby repealed.

(c) EARNINGS DISREGARD.—Section 603 of the Job Training Partnership Act is hereby repealed.

(d) SAVINGS PROVISION.—The repeals made by subsections (a), (b), and (c), of any provision of law described in any such subsection that amended or repealed another provision of law does not in any way affect that amendment or repeal.

SEC. 602. CONFORMING AMENDMENTS.

(a) ENFORCEMENT OF MILITARY SELECTIVE SERVICE ACT.—Section 604 of the Job Training Partnership Act (29 U.S.C 1504) is amended—

(1) by redesignating such section as section 182 of such Act; and

(2) by inserting such section after section 181 of such Act.

(b) STATE JOB BANK SYSTEMS.—Section 605 of such Act (29 U.S.C 1505) is amended—

(1) by striking subsection (a);

(2) in subsection (b), by striking "shall make such" and inserting "may make";

(3) by redesignating subsections (b) and (c) as subsections (a) and (b), respectively;

(4) by redesignating such section as section 466 of such Act; and

(5) by adding such section after section 465 of such Act.

(c) STATE LABOR MARKET INFORMATION PROGRAMS.—Section 125 of such Act (29 U.S.C. 1535) is amended—

(1) by redesignating such section as section 467; and

(2) by inserting such section after section 466.

TITLE VII—AMENDMENTS TO STATE HUMAN RESOURCE INVESTMENT COUNCIL

SEC. 701. AMENDMENTS TO COUNCIL.

(a) ESTABLISHMENT AND FUNCTIONS.—Section 701 of the Job Training Partnership Act (29 U.S.C. 1792) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking "shall review" and inserting "reviews"; and

(ii) by striking "advise" and inserting "advises";

(B) in paragraph (2), by striking "shall advise" and inserting "advises";

(C) in paragraph (3), by striking "shall carry" and inserting "carries";

(D) by striking paragraph (4);

(E) in paragraph (5), by striking "may recommend" and inserting "recommends";

(F) in paragraph (6), to read as follows:

"(6) prepares and recommends to the Governor a strategy to be included as part of the State plan under section 101 that would accomplish the goals developed pursuant to paragraph (4);";

(G) in paragraph (7)—

(i) by striking "may monitor" and inserting "monitors"; and

(ii) by striking the period at the end and inserting "; and";

(H) by adding at the end the following:

"(8) may serve as the collaborative process described in section 102."; and

(I) by redesignating paragraphs (5) through (8) (as amended or added, as the case may be) as paragraphs (4) through (7), respectively; and

(2) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking "(A) Except as provided in subparagraph (B), for purposes" and inserting "For purposes"; and

(ii) by striking subparagraph (B); and

(B) in paragraph (2)—

(i) by striking "applicable Federal human resource programs" and all that follows through "may include" and inserting "applicable Federal human resource programs may include";

(ii) in clause (v), by striking the "and" at the end;

(iii) in clause (vii)—

(I) by adding at the end before the semicolon the following: "and title I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996"; and

(II) by redesignating such clause as clause (vi);

(iv) in subparagraph (B)—

(I) by striking "may not include programs authorized under"; and

(II) by redesignating such subparagraph as clause (vii); and

(v) by redesignating clauses (i) through (vii) as subparagraphs (A) through (G), respectively, and moving the margin for each such subparagraph two ems to the left.

(b) COMPOSITION.—Section 702 of such Act (29 U.S.C. 1792a) is amended—

(1) by striking subsections (a), (b), and (c); and

(2) by inserting the following:

"Each State Council shall be composed of the individuals and entities described in section 102(a).".

(c) ADMINISTRATION.—Section 703 of such Act (29 U.S.C. 1792b) is amended—

(1) in subsection (a)(2)—

(A) by inserting "for State administrative expenses" after "funds otherwise available"; and

(B) by striking ", including funds available" and all that follows through "such Act";

(2) by striking subsection (c); and

(3) by redesignating subsection (d) as subsection (c).

SEC. 702. TRANSFER OF COUNCIL.

Title VII of the Job Training Partnership Act (29 U.S.C. 1792 et seq.), as amended by section 701, is transferred to the end of part A of title I of such Act, as amended by section 111 of this Act.

SEC. 703. CONFORMING AMENDMENTS.

(a) IN GENERAL.—Title VII of the Job Training Partnership Act (29 U.S.C. 1792 et seq.), as transferred to the end of part A of title I of such Act by section 702, is amended—

(1) by amending the title heading to read as follows:

"SEC. 103. STATE HUMAN RESOURCE INVESTMENT COUNCIL.";

(2) by redesignating sections 701 through 703 as subsections (a) through (c), respectively, of section 103 (as redesignated by paragraph (1)) and conforming the subsection headings and margins accordingly;

(3) by redesignating each subsection, paragraph, and subparagraph of sections 701 through 703 (as such sections existed immediately prior to the amendments made by paragraph (2)) as a paragraph, subparagraph, and clause, respectively, of section 103 (as redesignated by paragraph (1)) and conforming the headings and margins accordingly; and

(4) in subsection (a)(2)(B) (as redesignated), by striking "paragraph (1)" and inserting "subparagraph (A)".

(b) ADDITIONAL AMENDMENT.—Section 103 of the Job Training Partnership Act, as redesignated by subsection (a)(2), is amended by striking "title" each place it appears (except in subsection (a)(2)(B)(vi) of such section) and inserting "section".

TITLE VIII—AMENDMENTS TO WAGNER-PEYSER ACT

SEC. 801. DEFINITIONS.

Section 2 of the Wagner-Peyser Act (29 U.S.C. 49a) is amended—

(1) in paragraph (1), by striking "Job Training Partnership Act" and inserting "Employment, Training, and Literacy Enhancement Act";

(2) by striking paragraphs (2) and (4);

(3) by redesignating paragraphs (3) and (5) as paragraphs (5) and (6), respectively;

(4) by inserting after paragraph (1) the following:

"(2) the term 'local workforce development area' means a local workforce development area designated under section 121 of the Employment, Training, and Literacy Enhancement Act;

"(3) the term 'local workforce development board' means a local workforce development board established under section 122 of the Employment, Training, and Literacy Enhancement Act;

"(4) the term 'full service employment and training delivery system' means a system established under section 123 of the Employment, Training, and Literacy Enhancement Act;"; and

(5) in paragraph (5) (as redesignated by paragraph (3)), by striking the semicolon and inserting "; and".

SEC. 802. FUNCTIONS.

(a) IN GENERAL.—Section 3(a) of the Wagner-Peyser Act (29 U.S.C. 49b(a)) is amended to read as follows:

"(a) The Secretary of Labor—

"(1) shall assist in the coordination and development of a nationwide system of labor exchange services for the general public, provided as part of the full service employment and training delivery systems of the States;

"(2) shall assist in the development of continuous improvement models for such nationwide system that ensure private sector satisfaction with the system and meet the demands of jobseekers relating to the system; and

"(3) shall ensure, for individuals otherwise eligible to receive unemployment compensation, the continuation of any activities in which the individuals are required to participate to receive the compensation.".

(b) CONFORMING AMENDMENTS.—Section 508(b) of the Unemployment Compensation Amendments of 1976 (42 U.S.C. 603a) is amended—

(1) by striking "the third sentence of section 3(a)" and inserting "section 3(b)"; and

(2) by striking "49b(a)" and inserting "49b(b))".

SEC. 803. DESIGNATION OF STATE AGENCIES.

Section 4 of the Wagner-Peyser Act (29 U.S.C. 49c) is amended—

(1) by striking ", through its legislature," and inserting "pursuant to State statute";

(2) by inserting after "the provisions of this Act and" the following: ", in accordance with such State statute, the Governor shall"; and

(3) by striking "United States Employment Service" and inserting "Secretary".

SEC. 804. APPROPRIATIONS.

Section 5(c) of the Wagner-Peyser Act (29 U.S.C. 49d(c)) is amended by striking paragraph (3).

SEC. 805. DISPOSITION OF ALLOTTED FUNDS.

Section 7 of the Wagner-Peyser Act (29 U.S.C. 49f) is amended—

(1) in subsection (b)(2), by striking "private industry council" and inserting "local workforce development board";

(2) in subsection (c)(2)(B), to read as follows:

"(B) Title III of the Employment, Training, and Literacy Enhancement Act.";

(3) in subsection (d), by striking "Job Training Partnership Act" and inserting "Employment, Training, and Literacy Enhancement Act"; and

(4) by adding at the end the following:

"(e) All job search, placement, recruitment, labor market information, and other labor exchange services authorized under subsections (a) and (b) shall be provided as part of the full service employment and training delivery system established by the State.".

SEC. 806. STATE PLANS.

Section 8 of the Wagner-Peyser Act (29 U.S.C. 49g) is amended—

(1) in subsection (a) to read as follows:

"(a) Any State desiring to receive assistance under this Act shall submit to the Secretary, as part of the State plan submitted under section 101 of the Employment, Training, and Literacy Enhancement Act, detailed plans for carrying out the provisions of this Act within such State.";

(2) by striking subsections (b), (c), and (e); and

(3) by redesignating subsection (d) as subsection (b).

SEC. 807. FEDERAL ADVISORY COUNCIL.

Section 11 of the Wagner-Peyser Act (29 U.S.C. 49j) is hereby repealed.

SEC. 808. REGULATIONS.

Section 12 of the Wagner-Peyser Act (29 U.S.C. 49k) is amended by striking "The Director, with the approval of the Secretary of Labor," and inserting "The Secretary".

SEC. 809. EFFECTIVE DATE.

The amendments made by this title shall take effect on July 1, 1998.

TITLE IX—TECHNICAL AND CONFORMING AMENDMENTS

Subtitle A—Amendments to the Job Training Partnership Act

SEC. 901. SHORT TITLE; TABLE OF CONTENTS.

Section 1 of the Job Training Partnership Act (29 U.S.C 1501 note) is amended to read as follows:

“SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

“(a) SHORT TITLE.—This Act may be cited as the ‘Employment, Training, and Literacy Enhancement Act’.

“(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

“Sec. 1. Short title; table of contents.
“Sec. 2. Statement of purpose.
“Sec. 3. Authorization of appropriations.
“Sec. 4. Definitions.

“TITLE I—STATE AND LOCAL ADMINISTRATIVE PROVISIONS

“PART A—STATE ADMINISTRATIVE PROVISIONS

“Sec. 101. State plan.
“Sec. 102. Collaborative process.
“Sec. 103. State Human Resource Investment Council.

“PART B—LOCAL ADMINISTRATIVE PROVISIONS

“Sec. 121. Local workforce development areas.
“Sec. 122. Local workforce development boards.
“Sec. 123. Full service employment and training delivery system.
“Sec. 124. Identification of training providers.

“PART C—PROGRAM AND FISCAL PROVISIONS

“SUBPART 1—GENERAL PROVISIONS

“Sec. 141. General program requirements.
“Sec. 142. Benefits.
“Sec. 143. Labor standards.
“Sec. 144. Grievance procedure.
“Sec. 145. Prohibition against Federal control of education.
“Sec. 146. Identification of additional imposed requirements.
“Sec. 147. Authority of State legislature.
“Sec. 148. Interstate agreements.

“SUBPART 2—PERFORMANCE ACCOUNTABILITY PROVISIONS

“Sec. 151. Performance accountability system.
“Sec. 152. Indicators of performance.
“Sec. 153. State adjusted benchmarks.
“Sec. 154. Core indicators of performance.
“Sec. 155. Report on performance.
“Sec. 156. Incentive grants and sanctions.

“SUBPART 3—OTHER PROVISIONS

“Sec. 161. Program year.
“Sec. 162. Prompt allocation of funds.
“Sec. 163. Monitoring.
“Sec. 164. Fiscal controls; sanctions.
“Sec. 165. Reports; recordkeeping; investigations.
“Sec. 166. Administrative Adjudication.
“Sec. 167. Nondiscrimination.
“Sec. 168. Administrative provisions.
“Sec. 169. Utilization of services and facilities.
“Sec. 170. Obligational authority.
“Sec. 171. Limitation on certain costs.

“PART D—MISCELLANEOUS PROVISIONS

“Sec. 181. Reference.
“Sec. 182. Enforcement of Military Selective Service Act.

“TITLE II—DISADVANTAGED YOUTH EMPLOYMENT AND TRAINING OPPORTUNITIES GRANTS

“Sec. 201. Statement of purpose.
“Sec. 202. Authorization.
“Sec. 203. Allotment and allocation among States.
“Sec. 204. Allocation within States.
“Sec. 205. Eligibility for services.
“Sec. 206. Use of funds.
“Sec. 207. Selection of service providers.
“Sec. 208. Linkages.

“TITLE III—ADULT EMPLOYMENT AND TRAINING OPPORTUNITIES GRANTS

“Sec. 301. Purpose.

“PART A—ADULT EMPLOYMENT AND TRAINING OPPORTUNITIES GRANTS

“Sec. 311. Authorization.
“Sec. 312. Allotment among States.
“Sec. 313. Allocation within States.
“Sec. 314. Use of amounts.

“PART B—NATIONAL PROGRAMS

“Sec. 321. National emergency grants.
“Sec. 322. Skill upgrading projects in enterprise zones or empowerment communities.

"TITLE IV—FEDERALLY ADMINISTERED PROGRAMS

"PART A—EMPLOYMENT AND TRAINING PROGRAMS FOR NATIVE AMERICANS AND MIGRANT AND SEASONAL FARMWORKERS

"Sec. 401. Native American programs.
"Sec. 402. Migrant and seasonal farmworker program.

"PART B—JOB CORPS

"Sec. 421. Statement of purpose.
"Sec. 422. Establishment of the Job Corps.
"Sec. 423. Individuals eligible for the Job Corps.
"Sec. 424. Screening and selection of applicants: general provisions.
"Sec. 425. Screening and selection: special limitations.
"Sec. 426. Enrollment and assignment.
"Sec. 427. Job Corps centers.
"Sec. 428. Program activities.
"Sec. 429. Allowances and support.
"Sec. 430. Standards of conduct.
"Sec. 431. Community participation.
"Sec. 432. Counseling and job placement.
"Sec. 433. Experimental and developmental projects and coordination with other programs.
"Sec. 433A. Job Corps centers for homeless families.
"Sec. 434. Advisory boards and committees.
"Sec. 435. Participation of the States.
"Sec. 436. Application of provisions of Federal law.
"Sec. 437. Special provisions.
"Sec. 438. General provisions.
"Sec. 439. Donations.

"PART C—VETERANS' EMPLOYMENT PROGRAMS

"Sec. 441. Authorization of programs.

"PART D—NATIONAL ACTIVITIES

"Sec. 451. Research, demonstration, evaluation, and capacity building.
"Sec. 452. Incentive grants.
"Sec. 453. Uniform reporting requirements.

"PART E—LABOR MARKET INFORMATION

"Sec. 461. Labor market information; availability of funds.
"Sec. 462. Cooperative labor market information program.
"Sec. 463. Special federal responsibilities.
"Sec. 464. National Occupational Information Coordinating Committee.
"Sec. 465. Job bank program.
"Sec. 466. State job bank systems.
"Sec. 467. State labor market information programs.".

SEC. 902. DEFINITIONS.

Section 4 of such Act (29 U.S.C. 1503), as amended by section 103, is further amended, as follows:

(1) By striking the heading and the matter preceding paragraph (1) and inserting the following:

"SEC. 4. DEFINITIONS.

"As used in this Act, the following definitions apply:".

(2) In paragraph (3), by striking "The term" and inserting "AREA OF SUBSTANTIAL UNEMPLOYMENT.—The term".

(3) In paragraph (7), by striking "The term" and inserting "ECONOMIC DEVELOPMENT AGENCIES.—The term".

(4) In paragraph (8), by striking "The term" and inserting "ECONOMICALLY DISADVANTAGED.—The term".

(5) In paragraph (9), by striking "The term" and inserting "GOVERNOR.—The term".

(6) In paragraph (12), by striking "The term" and inserting "INSTITUTION OF HIGHER EDUCATION.—The term".

(7) In paragraph (13), by striking "The term" and inserting "LABOR MARKET AREA.—The term".

(8) In paragraph (14), by striking "The term" and inserting "LOCAL EDUCATIONAL AGENCY.—The term".

(9) In paragraph (15), by striking "The term" and inserting "LOW-INCOME LEVEL.—The term".

(10) In paragraph (16), by striking "The term" and inserting "LOWER LIVING STANDARD INCOME LEVEL.—The term".

(11) In paragraph (17), by striking "The term" and inserting "OFFENDER.—The term".

(12) In paragraph (18), by striking "The term" and inserting "POSTSECONDARY INSTITUTION.—The term".

(13) In paragraph (20), by striking "The term" and inserting "PUBLIC ASSISTANCE.—The term".

(14) In paragraph (23), by striking "The term" and inserting "STATE EDUCATIONAL AGENCY.—The term".

(15) In paragraph (25), by striking "The term" and inserting "UNEMPLOYED INDIVIDUALS.—The term".

(16) In paragraph (26), by striking "The term" and inserting "UNIT OF GENERAL LOCAL GOVERNMENT.—The term".

(17) In paragraph (28), by striking "The term" and inserting "VOCATIONAL EDUCATION.—The term".

(18) In paragraph (29), by striking "The term" and inserting "DISPLACED HOMEMAKER.—The term".

(19) In paragraph (30), by striking "The term" and inserting "NONTRADITIONAL EMPLOYMENT.—The term".

(20) In paragraph (31), by striking "The term" and inserting "BASIC SKILLS DEFICIENT.—The term".

(21) In paragraph (32), by striking "The term" and inserting "CASE MANAGEMENT.—The term".

(22) In paragraph (33), by striking "The term" and inserting "CITIZENSHIP SKILLS.—The term".

(23) In paragraph (34), by striking "The term" and inserting "FAMILY.—The term".

(24) In paragraph (37), by striking "The term" and inserting "PARTICIPANT.—The term".

(25) In paragraph (38), by striking "The term" and inserting "SCHOOL DROPOUT.—The term".

(26) In paragraph (39), by striking "The term" and inserting "TERMINATION.—The term".

(27) In paragraph (40), by striking "The term" and inserting "YOUTH CORPS PROGRAM.—The term".

(28) By redesignating paragraphs (31), (32), (4), (33), (5), (6), (29), (7), (8), (41), (42), (34), (43), (44), (9), (45), (46), (10), (12), (13), (47), (48), (49), (14), (50), (15), (16), (30), (17), (51), (52), (37), (18), (20), (53), (54), (38), (21), (55), (22), (57), (56), (23), (58), (24), (39), (25), (26), (27), (28), and (40) as paragraphs (4) through (54), respectively.

SEC. 903. AMENDMENTS TO TITLE I.

(a) HEADING.—The heading of title I of the Job Training Partnership Act (29 U.S.C. 1501 et seq.) is amended to read as follows:

"TITLE I—STATE AND LOCAL ADMINISTRATIVE PROVISIONS".

(b) PART B.—Part B of title I of such Act (29 U.S.C. 1531 et seq.), as amended by this Act, is further amended in the heading of such part to read as follows:

"PART B—LOCAL ADMINISTRATIVE PROVISIONS".

(c) PART C.—

(1) HEADINGS.—Part C of title I of such Act (29 U.S.C. 1551 et seq.), as amended by this Act, is further amended—

(A) in the heading of such part to read as follows:

"PART C—PROGRAM AND FISCAL PROVISIONS";

(B) by inserting after the heading for such part the following:

"Subpart 1—General Provisions";

(C) by inserting after section 148, as amended by this Act, the following:

"Subpart 2—Performance Accountability Provisions";

and

(D) by inserting after section 156 (as amended by this Act) the following:

"Subpart 3—Other Provisions".

(2) SECTION 141.—Section 141 of such Act (29 U.S.C 1551), as amended by this Act, is further amended—

(A) in the section heading to read as follows:

"SEC. 141. GENERAL PROGRAM REQUIREMENTS.";

and

(B)(i) by redesignating subsections (a), (b), (c) (e), (g), (h), (j), and (l) through (t) as paragraphs (1) through (16), respectively, and moving the margin for each such paragraph two ems to the right; and

(ii) by redesignating each paragraph and subparagraph of such subsections (a), (b), (c), (e), (g), (h), (j), and (l) through (t) (as such subsections existed before the amendment made by clause (i)) as a subparagraph and clause, respectively.

(3) SECTION 142.—Section 142 of such Act (29 U.S.C. 1552), as amended by this Act, is further amended—

(A) in the section heading to read as follows:

"SEC. 142. BENEFITS.";

(B) in subsection (a)(2) (as redesignated), by striking "References" and inserting "REFERENCES.—References"; and

(C) in subsection (b), by striking "Allowances" and inserting "ADDITIONAL REQUIREMENT.—Allowances".

(4) SECTION 145.—Section 145 of such Act (29 U.S.C 1555) is amended in the section heading to read as follows:

"SEC. 145. PROHIBITION AGAINST FEDERAL CONTROL OF EDUCATION.".

(5) SECTION 146.—Section 146 of such Act (as redesignated) is amended—

(A) in the section heading to read as follows:

"SEC. 146. IDENTIFICATION OF ADDITIONAL IMPOSED REQUIREMENTS.";

and

(B) by striking "service delivery area" each place it appears and inserting "workforce development area".

(6) SECTION 147.—Section 147 of such Act (as redesignated) is amended in the section heading to read as follows:

"SEC. 147. AUTHORITY OF STATE LEGISLATURE.".

(7) SECTION 148.—Section 148 of such Act (as redesignated) is amended in the section heading to read as follows:

"SEC. 148. INTERSTATE AGREEMENTS.".

(d) PART D.—

(1) HEADING.—Part D of title I of such Act is amended by striking the heading for such part.

(2) SECTION 161.—Section 161 of such Act (29 U.S.C 1571), as amended by this Act, is further amended—

(A) in the section heading to read as follows:

"SEC. 161. PROGRAM YEAR.";

(B) in subsection (a), by striking "(a)" and inserting the following:

"(a) PROGRAM YEAR.—"; and

(C) in subsection (b), by striking "(b)" and inserting the following:

"(b) AVAILABILITY.—".

(3) SECTION 162.—Section 162 of such Act (29 U.S.C 1572), as amended by this Act, is further amended—

(A) in the section heading to read as follows:

"SEC. 162. PROMPT ALLOCATION OF FUNDS.";

(B) in subsection (a), by striking "(a)" and inserting "(a) ALLOTMENTS AND ALLOCATIONS BASED ON LATEST AVAILABLE DATA.—";

(C) in subsection (b), by striking "(b)" and inserting "(b) PUBLICATION IN FEDERAL REGISTER RELATING TO MANDATORY FUNDS.—";

(D) in subsection (c), by striking "(c)" and inserting "(c) REQUIREMENT FOR FUNDS DISTRIBUTED BY FORMULA.—";

(E) in subsection (d), by striking "(d)" and inserting "(d) PUBLICATION IN FEDERAL REGISTER RELATING TO DISCRETIONARY FUNDS.—"; and

(F) in subsection (e)—

(i) by striking "(e)" and inserting "(e) AVAILABILITY OF FUNDS.—"; and

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(ii) by striking "service delivery area" and inserting "local workforce development area".

(4) SECTION 163.—Section 163 of such Act (29 U.S.C 1573) is amended—

(A) in the section heading to read as follows:

"SEC. 163. MONITORING.";

(B) in subsection (a), by striking "(a)" and inserting "(a) IN GENERAL.—";

(C) in subsection (b), by striking "(b)" and inserting "(b) INVESTIGATIONS.—"; and

(D) in subsection (c), by striking "(c)" and inserting "(c) ADDITIONAL REQUIREMENT.—".

(5) SECTION 164.—Section 164 of such Act (29 U.S.C 1574) is amended—

(A) in the section heading to read as follows:

"SEC. 164. FISCAL CONTROLS; SANCTIONS.";

(B) in subsection (a)—

(i) by striking "(a)(1)" and inserting the following:

"(a) ESTABLISHMENT OF FISCAL CONTROLS BY STATES.—

"(1) IN GENERAL.—"; and

(ii) in paragraph (2), by striking "(2)" and inserting "(2) REGULATIONS.—" and moving such paragraph two ems to the right;

(C) in subsection (e)—

(i) by striking "(e)(1)" and inserting the following:

"(e) REPAYMENT OF AMOUNTS.—

"(1) IN GENERAL.—";

(ii) in paragraph (2), by striking "(2)" and inserting "(2) FACTORS IN IMPOSING SANCTIONS.—" and moving such paragraph two ems to the right; and

(iii) in paragraph (3), by striking "(3)" and inserting "(3) WAIVER.—" and moving such paragraph two ems to the right;

(D) in subsection (f), by striking "(f)" and inserting "(f) IMMEDIATE TERMINATION OR SUSPENSION OF ASSISTANCE IN EMERGENCY SITUATIONS.—";

(E) in subsection (g), by striking "(g)" and inserting "(g) DISCRIMINATION AGAINST PARTICIPANTS.—"; and

(F) by redesignating subsections (d), (e), (f), (g) as subsections (c), (d), (e), and (f), respectively.

(6) SECTION 165.—Section 165 of such Act (29 U.S.C 1575) is amended—

(A) in the section heading to read as follows:

"SEC. 165. REPORTS; RECORDKEEPING; INVESTIGATIONS.";

(B) in subsection (a)—

(i) by striking "(a)(1)" and inserting the following:

"(a) REPORTS.—

"(1) IN GENERAL.—";

(ii) in paragraph (2), by striking "(2)" and inserting "(2) SUBMISSION TO THE SECRETARY.—" and moving such paragraph two ems to the right; and

(iii) in paragraph (3), by striking "(3)" and inserting "(3) MAINTENANCE OF STANDARDIZED RECORDS.—" and moving such paragraph two ems to the right; and

(iv) in paragraph (4)—

(I) by striking "(4)(A)" and inserting "(4) AVAILABILITY TO THE PUBLIC.—(A)" and moving such paragraph two ems to the right;

(II) in subparagraph (B), by striking "(B)" and inserting "(B) EXCEPTION.—" and moving such subparagraph two ems to the right; and

(III) in subparagraph (C), by striking "(C)" and inserting "(C) FEES TO RECOVER COSTS.—" and moving such subparagraph two ems to the right;

(C) in subsection (b)—

(i) by striking "(b)(1)(A)" and inserting the following:

"(b) INVESTIGATIONS OF USE OF FUNDS.—

"(1) IN GENERAL.—(A)";

(ii) in subparagraph (B) of paragraph (1), by moving such subparagraph two ems to the right;

(iii) in paragraph (2), by striking "(2)" and inserting "(2) PROHIBITION.—" and moving such paragraph two ems to the right; and

(iv) in paragraph (3)—

(I) by striking "(3)(A)" and inserting the following:

"(3) AUDITS.—

"(A) IN GENERAL.—";

(II) in subparagraph (B), by striking "(B)" and inserting "(B) NOTIFICATION REQUIREMENT.—" and moving such subparagraph two ems to the right;

(III) in subparagraph (C), by striking "(C)" and inserting "(C) ADDITIONAL REQUIREMENT.—" and moving such subparagraph two ems to the right; and

(IV) in subparagraph (D), by striking "(D)" and inserting "(D) RULE OF CONSTRUCTION.—" and moving such subparagraph two ems to the right;

(D) in subsection (c)—

(i) by striking "(c)" and inserting "(c) ACCESSIBILITY OF REPORTS.—"; and

(ii) in paragraph (2), by striking "service delivery area" and inserting "local workforce development area";

(E) in subsection (d)—

(i) by striking "(d)(1)" and inserting the following;

"(d) INFORMATION TO BE INCLUDED IN REPORTS.—

"(1) IN GENERAL.—"; and

(ii) in paragraph (2), by striking "(2)" and inserting "(2) ADDITIONAL REQUIREMENT.—" and moving such paragraph two ems to the right;

(F) in subsection (e), by striking "(e)" and inserting "(e) RETENTION OF RECORDS.—";

(G) in subsection (f)—

(i) by striking "(f)(1)" and inserting the following:

"(f) QUARTERLY FINANCIAL REPORTS.—

"(1) IN GENERAL.—";

(ii) by striking "service delivery area" and inserting "local workforce development area"; and

(iii) in paragraph (2), by striking "(2)" and inserting "(2) ADDITIONAL REQUIREMENT.—" and moving such paragraph two ems to the right; and

(H) in subsection (g), by striking "(g)" and inserting "(g) MAINTENANCE OF ADDITIONAL RECORDS.—".

(7) SECTION 166.—Section 166 of such Act (29 U.S.C. 1576) is amended—

(A) in the section heading to read as follows:

"SEC. 166. ADMINISTRATIVE ADJUDICATION.";

(B) in subsection (a), by striking "(a)" and inserting the following:

"(a) IN GENERAL.—";

(C) in subsection (b), by striking "(b)" and inserting the following:

"(b) APPEAL.—";

(D) in subsection (c), by striking "(c)" and inserting the following:

"(c) TIME LIMIT.—"; and

(E) in subsection (d), by striking "(d)" and inserting the following:

"(d) ADDITIONAL REQUIREMENT.—";

(8) SECTION 169.—Section 169 of such Act (29 U.S.C 1579) is amended—

(A) in the section heading to read as follows:

"SEC. 169. ADMINISTRATIVE PROVISIONS.";

(B) in subsection (a), by striking "(a)" and inserting "(a) IN GENERAL.—";

(C) in subsection (b), by striking "(b)" and inserting "(b) ACQUISITION OF CERTAIN PROPERTY AND SERVICES.—";

(D) in subsection (c), by striking "(c)" and inserting "(c) AUTHORITY TO ENTER INTO CERTAIN AGREEMENTS AND TO MAKE CERTAIN EXPENDITURES.—"; and

(D) in subsection (d), by striking "(d)" and inserting "(d) ANNUAL REPORT.—".

(9) SECTION 170.—Section 170 of such Act (29 U.S.C 1580) is amended—

(A) in the section heading to read as follows:

"SEC. 170. UTILIZATION OF SERVICES AND FACILITIES."; and

(B) in the first sentence, by striking "section 169(c)" and inserting "section 168(c)".

(10) SECTION 171.—Section 171 of such Act (29 U.S.C 1581) is amended in the section heading to read as follows:

"SEC. 171. OBLIGATIONAL AUTHORITY.".

(11) REDESIGNATION.—Sections 169, 170, 171, and 172 of the Job Training Partnership Act (29 U.S.C. 1579, 1580, and 1581), as amended or added by this Act, as the case may be, are further amended by redesignating such sections as sections 168, 169, 170, and 171 of such Act, respectively.

(e) PART E.—

(1) HEADING.—The heading for part E of title I of such Act is amended by redesignating such heading as the heading for part D of title I of such Act (and conforming the typeface for such heading in a manner similar to the typeface for the heading for part C of title I of such Act (as amended by subsection (b)(1)(A)).

(2) SECTION 183.—Section 183 of such Act (29 U.S.C 1592), as amended by this Act, is further amended by redesignating such section as section 181.

SEC. 904. AMENDMENTS TO TITLE IV.

(a) PART HEADINGS.—The following part headings of title IV of the Job Training Partnership Act (29 U.S.C. 1671 et seq.) are amended as follows:

(1) The heading for part A of title IV of such Act is amended to read as follows:

"PART A—EMPLOYMENT AND TRAINING PROGRAMS FOR NATIVE AMERICANS AND MIGRANT AND SEASONAL FARMWORKERS".

(2) The heading for part B of title IV of such Act is amended to read as follows:

"PART B—JOB CORPS".

(3) The heading for part C of title IV of such Act is amended to read as follows:

"PART C—VETERANS' EMPLOYMENT PROGRAMS".

(4) The heading for part D of title IV of such Act is amended to read as follows:

"PART D—NATIONAL ACTIVITIES".

(5) The heading for part E of title IV of such Act is amended to read as follows:

"PART E—LABOR MARKET INFORMATION".

(b) SECTION 441.—Section 441 of such Act (29 U.S.C 1721) is amended—

(1) in the section heading to read as follows:

"SEC. 441. AUTHORIZATION OF PROGRAMS.";

(2) in subsection (a)—

(A) by striking "(a)(1)" and inserting the following:

"(a) AUTHORIZATION.—

"(1) IN GENERAL.—";

(B) in paragraph (2), by striking "(2)" and inserting "(2) CONDUCT OF PROGRAMS.—" and moving such paragraph two ems to the right; and

(C) in paragraph (3), by striking "(3)" and inserting "(3) REQUIRED ACTIVITIES.—" and moving such paragraph two ems to the right; and

(3) in subsection (b)—

(A) by striking "(b)(1)" and inserting the following:

"(b) ADMINISTRATION OF PROGRAMS.—

"(1) IN GENERAL.—"; and

(B) in paragraph (2), by striking "(2)" and inserting "(2) ADDITIONAL RESPONSIBILITIES.—" and moving such paragraph two ems to the right.

(c) SECTION 455.—Section 455 of such Act (29 U.S.C 1735) is amended—

(1) in the section heading to read as follows:

"SEC. 455. UNIFORM REPORTING REQUIREMENTS.";

and

(2) by redesignating such section as section 453.

(d) Section 461.—Section 461 of such Act (29 U.S.C 1751) is amended—

(1) in the section heading to read as follows:

"SEC. 461. LABOR MARKET INFORMATION; AVAILABILITY OF FUNDS.";

(2) in subsection (a), by striking "(a)" and inserting "(a) Set-Aside of Funds.—";

(3) in subsection (b)—

(A) by striking "(b)" and inserting "(b) Availability for Additional Purpose.—"; and

(B) by striking "section 125" and inserting "section 467"; and

(4) in subsection (c), by striking "(c)" and inserting "(c) Availability of Other Funds.—".

(e) Section 462.—Section 462 of such Act (29 U.S.C 1752) is amended—

(1) in the section heading to read as follows:

"SEC. 462. COOPERATIVE LABOR MARKET INFORMATION PROGRAM.";

(2) in subsection (a), by striking "(a)" and inserting "(a) Data on Current Employment.—";

(3) in subsection (b), by striking "(b)" and inserting "(b) Maintenance of Descriptions of Job Duties and Related Information.—";

(4) in subsection (c), by striking "(c)" and inserting "(c) Additional Requirements.—";

(5) in subsection (d)—

(A) by striking "(d)(1)" and inserting the following:

"(d) Data for Annual Statistical Measure of Labor Market Related Economic Hardship.—

"(1) In general.—";

(B) in paragraph (2), by striking "(2)" and inserting "(2) Household budget data.—" and moving such paragraph two ems to the right; and

(C) in paragraph (3), by striking "(3)" and inserting "(3) Report.—" and moving such paragraph two ems to the right;

(6) in subsection (e), by striking "(e)" and inserting "(e) Statistical Data Relating to Permanent Lay-Offs and Plant Closings.—"

(7) in subsection (f)—

(A) by striking "(f)(1)" and inserting the following:

"(f) Data Relating to Permanent Dislocation of Farmers and Ranchers.—

"(1) In general.—";

(B) in paragraph (1), by moving subparagraphs (A) through (E) two ems to the right; and

(C) in paragraph (2), by striking "(2)" and inserting "(2) Report.—" and moving such paragraph two ems to the right; and

(8) by striking subsection (g).

(f) Section 463.—Section 463 of such Act (29 U.S.C 1753) is amended—

(1) in the section heading to read as follows:

"SEC. 463. SPECIAL FEDERAL RESPONSIBILITIES.";

(2) in subsection (a), by striking "(a)" and inserting "(a) Review and Application of Labor Market Information.—";

(3) in subsection (b), by striking "(b)" and inserting "(b) Integrated Occupational Supply and Demand Information System.—"; and

(4) in subsection (c), by striking "(c)" and inserting "(c) Sufficient Funds for Staffing.—".

(g) Section 464.—Section 464 of such Act (29 U.S.C 1754) is amended—

(1) in the section heading to read as follows:

"SEC. 464. NATIONAL OCCUPATIONAL INFORMATION COORDINATING COMMITTEE.";

(2) in subsection (a)—

(A) by striking "(a)(1)" and inserting the following:

"(a) Reservation.—

"(1) In general.—";

(B) in paragraph (2), by striking "(2)" and inserting "(2) Additional members.—" and moving such paragraph two ems to the right; and

(C) in paragraph (3), by striking "(3)" and inserting "(3) Additional requirement.—" and moving such paragraph two ems to the right;

(3) in subsection (b), by striking "(b)" and inserting "(b) Additional Responsibilities.—"; and

(4) in subsection (c), by striking "(c)" and inserting "(c) USE OF FUNDS.—".

(h) SECTION 465.—Section 465 of such Act (29 U.S.C 1755) is amended in the section heading to read as follows:

"SEC. 465. JOB BANK PROGRAM.".

(i) SECTION 466.—Section 466 of such Act (as redesignated) is amended—

(1) in the section heading to read as follows:

"SEC. 466. STATE JOB BANK SYSTEMS.";

(2) in subsection (a) (as redesignated), by striking "(a)" and inserting "(a) IN GENERAL.—"; and

(3) in subsection (b) (as redesignated), by striking "(b)" and inserting "(b) COMPUTERIZED DATA SYSTEMS.—".

(j) SECTION 467.—Section 467 of such Act (as redesignated) is amended—

(1) in the section heading to read as follows:

"SEC. 467. STATE LABOR MARKET INFORMATION PROGRAMS.";

(2) in subsection (a), by striking "(a)" and inserting the following:

"(a) IN GENERAL.—";

(3) in subsection (b), by striking "(b)" and inserting the following:

"(b) ADDITIONAL REQUIREMENTS.—";

(4) in subsection (c), by striking "(c)" and inserting the following:

"(c) REIMBURSEMENTS.—"; and

(5) in subsection (d), by striking "(d)" and inserting the following:

"(d) COMBINATION OR CONSOLIDATION OF CERTAIN REPORTING REQUIREMENTS.—".

SEC. 905. AMENDMENTS TO TITLE VI.

The Job Training Partnership Act (29 U.S.C. 1501 et seq.) is amended by striking the heading for title VI of such Act.

SEC. 906. CLARIFICATION.

Nothing in this Act, the amendments made by this Act, or any law amended by this Act shall be construed to supplant or modify the requirements for registration of an apprenticeship program under the National Apprenticeship Act.

Subtitle B—Amendments to Other Acts

SEC. 911. AMENDMENTS TO OTHER ACTS.

The following Acts are amended as follows:

(1) TITLE 5, UNITED STATES CODE.—Section 3502(d) of title 5, United States Code, is amended—

(A) in paragraph (3)—

(i) in subparagraph (A)(i), by striking "or units (referred to in section 311(b)(2) of the Job Training Partnership Act)" and inserting "referred to in section 313(a)(2)(B)(i) of the Employment, Training, and Literacy Enhancement Act"; and

(ii) in subparagraph (B)(iii), by striking "Job Training Partnership Act" and inserting "Employment, Training, and Literacy Enhancement Act"; and

(B) in paragraph (4), in the second sentence, by striking "Job Training Partnership Act" and inserting "Employment, Training, and Literacy Enhancement Act".

(2) FOOD STAMP ACT OF 1977.—

(A) SECTION 5.—Section 5(l) of the Food Stamp Act of 1977 (7 U.S.C. 2014(l)) is amended by striking "section 142(b) of the Job Training Partnership Act (29 U.S.C. 1552(b))" and inserting "title II, III, or IV of the Employment, Training, and Literacy Enhancement Act".

(B) SECTION 6.—Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended—

(i) in subsection (d)(4)(M), by striking "Job Training Partnership Act" and inserting "Employment, Training, and Literacy Enhancement Act"; and

(ii) in subsection (e)(3), by striking subparagraph (A) and inserting the following:

"(A) a program under title II, III, or IV of the Employment, Training, and Literacy Enhancement Act;".

(C) SECTION 17.—The second sentence of section 17(b)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(2)) is amended—

(i) by striking "to accept an offer of employment from a political subdivision or a prime sponsor pursuant to the Comprehensive Employment and Training Act of 1973, as amended (29 U.S.C. 812)," and inserting "to accept an offer of employment from a service provider carrying out employment and training activities through a program carried out under title II, III, or IV of the Employment, Training, and Literacy Enhancement Act,"; and

(ii) by striking ": *Provided*, That all of the political subdivision's" and all that follows and inserting ", if all of the jobs supported under the program have been made available to participants in the program before the service provider providing the jobs extends an offer of employment under this paragraph, and if the service provider, in employing the person, complies with the requirements of Federal law that relate to the program.".

(3) IMMIGRATION AND NATIONALITY ACT.—Section 245A(h)(4)(F) of the Immigration and Nationality Act (8 U.S.C. 1255a(h)(4)(F)) is amended by striking "The Job Training Partnership Act." and inserting "The Employment, Training, and Literacy Enhancement Act.".

(4) REFUGEE EDUCATION ASSISTANCE ACT OF 1980.—Section 402(a)(4) of the Refugee Education Assistance Act of 1980 (8 U.S.C. 1522 note) is amended by striking "the Comprehensive Employment and Training Act of 1973" and inserting "the Employment, Training, and Literacy Enhancement Act".

(5) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1993.—

(A) SECTION 3161.—Section 3161(c)(6) of the National Defense Authorization Act for Fiscal Year 1993 (42 U.S.C. 7274h(c)(6)) is amended by striking "Job Training Partnership Act (29 U.S.C. 1501 et seq.)" and inserting "title II, III, or IV of the Employment, Training, and Literacy Enhancement Act".

(B) SECTION 4461.—Section 4461(1) of the National Defense Authorization Act for Fiscal Year 1993 (10 U.S.C. 1143 note) is amended by striking "The Job Training Partnership Act (29 U.S.C. 1501 et seq.)." and inserting "The Employment, Training, and Literacy Enhancement Act.".

(C) SECTION 4471.—Section 4471 of the National Defense Authorization Act for Fiscal Year 1993 (10 U.S.C. 2501 note) is amended—

(i) in subsection (c)(2), by striking "section 311(b)(2) of the Job Training Partnership Act (29 U.S.C. 1661(b)(2))" and inserting "313(a)(2)(B)(i) of the Employment, Training, and Literacy Enhancement Act";

(ii) in subsection (d)—

(I) in the first sentence, by striking "for training, adjustment assistance, and employment services" and all that follows through "except where" and inserting "to participate in employment and training activities carried out under the Employment, Training, and Literacy Enhancement Act, except in a case in which"; and

(II) by striking the second sentence; and

(iii) in subsection (e), by striking "for training," and all that follows through "beginning" and inserting "to participate in employment and training activities under the Employment, Training, and Literacy Enhancement Act beginning".

(6) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1991.—Section 4003(5)(C) of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 2391 note) is amended by inserting before the period the following: ", as in effect on the day before the date of the enactment of the Employment, Training, and Literacy Enhancement Act of 1997".

(7) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1994.—Section 1333(c)(2)(B) of the National Defense Authorization Act for Fiscal Year 1994 (10 U.S.C. 2701 note) is amended by striking "Private industry councils (as described in section 102 of the Job Training Partnership Act (29 U.S.C. 1512))." and inserting "Local workforce development boards established under section 122 of the Employment, Training, and Literacy Enhancement Act.".

(8) SMALL BUSINESS ACT.—The fourth sentence of section 7(j)(13)(E) of the Small Business Act (15 U.S.C. 636(j)(13)(E)) is amended by striking "under the Job Training Partnership Act (29 U.S.C. 1501 et seq.)" and inserting "under section 124 of the Employment, Training, and Literacy Enhancement Act".

(9) EMPLOYMENT ACT OF 1946.—Section 4(f)(2)(B) of the Employment Act of 1946 (15 U.S.C. 1022a(f)(2)(B)) is amended by striking "and include these in the annual Employment and Training Report of the President required under section 705(a) of the Comprehensive Employment and Training Act of 1973 (here-

inafter in this Act referred to as 'CETA')" and inserting "and prepare and submit to the President an annual report containing the recommendations".

(10) FULL EMPLOYMENT AND BALANCED GROWTH ACT OF 1978.—

(A) SECTION 206.—Section 206 of the Full Employment and Balanced Growth Act of 1978 (15 U.S.C. 3116) is amended—

(i) in subsection (b)—

(I) in the matter preceding paragraph (1), by striking "CETA" and inserting "the Employment, Training, and Literacy Enhancement Act"; and

(II) in paragraph (1), by striking "(including use of section 110 of CETA when necessary)"; and

(ii) in subsection (c)(1), by striking "through the expansion of CETA and other".

(B) SECTION 401.—Section 401(d) of the Full Employment and Balanced Growth Act of 1978 (15 U.S.C. 3151(d)) is amended by striking "include, in the annual Employment and Training Report of the President provided under section 705(a) of CETA," and inserting "include, in the annual report referred to in section 4(f)(2)(B) of the Employment Act of 1946 (15 U.S.C. 1022a(f)(2)(B)),".

(11) TITLE 18, UNITED STATES CODE.—Subsections (a), (b), and (c) of section 665 of title 18, United States Code are amended by striking "or the Job Training Partnership Act" and inserting "the Job Training Partnership Act, or the Employment, Training, and Literacy Enhancement Act".

(12) TRADE ACT OF 1974.—Section 239(e) of the Trade Act of 1974 (19 U.S.C. 2311(e)) is amended by striking "Job Training Partnership Act" and inserting "Employment, Training, and Literacy Enhancement Act".

(13) HIGHER EDUCATION ACT OF 1965.—Section 480(b)(14) of the Higher Education Act of 1965 (20 U.S.C. 1087vv(b)(14)) is amended by striking "Job Training Partnership Act" and inserting "received through participation under title II, III, or IV of the Employment, Training, and Literacy Enhancement Act".

(14) INDIVIDUALS WITH DISABILITIES EDUCATION ACT.—Section 626 of the Individuals with Disabilities Education Act (20 U.S.C. 1425) is amended—

(A) in the first sentence of subsection (a), by striking "(including the State job training coordinating councils and service delivery area administrative entities established under the Job Training Partnership Act)" and inserting "(including the State collaborative process under of section 102 of the Employment, Training, and Literacy Enhancement Act and local workforce development boards established under section 122 of such Act)";

(B) in subsection (e)—

(i) in paragraph (3)(C), by striking "local Private Industry Councils (PICS) authorized by the Job Training Partnership Act (JTPA)," and inserting "local workforce development boards established under section 122 of the Employment, Training, and Literacy Enhancement Act,";

(ii) in paragraph (4)(A)(iii), by striking "local Private Industry Councils (PICS) authorized by the JTPA," and inserting "local workforce development boards established under section 122 of the Employment, Training, and Literacy Enhancement Act,"; and

(iii) in clauses (iii), (iv), (v), and (vii) of paragraph (4)(B), by striking "PICS authorized by the JTPA" and inserting "local workforce development boards established under section 122 of the Employment, Training, and Literacy Enhancement Act"; and

(C) in subsection (g), by striking "the Job Training Partnership Act (JTPA)," and inserting "the Employment, Training, and Literacy Enhancement Act,".

(15) DEPARTMENT OF EDUCATION ORGANIZATION ACT.—Subsection (a) of section 302 of the Department of Education Organization Act (20 U.S.C. 3443(a)) (as redesignated in section 271(a)(2) of the Improving America's Schools Act of 1994) is amended by striking "under section 303(c)(2) of the Comprehensive Employment and Training Act" and inserting "relating to such education".

(16) NATIONAL SKILL STANDARDS ACT OF 1994.—

(A) SECTION 504.—Section 504(c)(3) of the National Skill Standards Act of 1994 (20 U.S.C. 5934(c)(3)) is amended by striking "the Capacity Building and Information and Dissemination Network established under section 453(b) of the Job Training Partnership Act (29 U.S.C. 1733(b)) and".

(B) SECTION 508.—Section 508(1) of the National Skill Standards Act of 1994 (20 U.S.C. 5938(1)) is amended to read as follows:

"(1) COMMUNITY-BASED ORGANIZATION.—The term 'community-based organization' means a private nonprofit organization of demonstrated effectiveness that

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is representative of a community or a significant segment of a community and that provides workforce and career development activities, as defined in section 4 of the Employment, Training, and Literacy Enhancement Act.".

(17) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—

(A) SECTION 1205.—Section 1205(8)(B) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6365(8)(B)) is amended by striking ", the Adult Education Act, the Individuals with Disabilities Education Act, and the Job Training Partnership Act" and inserting "the Individuals with Disabilities Education Act, and the Employment, Training, and Literacy Enhancement Act".

(B) SECTION 1414.—Section 1414(c)(8) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6434(c)(8)) is amended by striking "programs under the Job Training Partnership Act," and inserting "activities under the Employment, Training, and Literacy Enhancement Act,".

(C) SECTION 1423.—Section 1423(9) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6453(9)) is amended by striking "programs under the Job Training and Partnership Act" and inserting "activities under the Employment, Training, and Literacy Enhancement Act".

(D) SECTION 1425.—Section 1425(9) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6455(9)) is amended by striking ", such as funds under the Job Training Partnership Act," and inserting ", such as funds made available under the Employment, Training, and Literacy Enhancement Act,".

(18) FREEDOM SUPPORT ACT.—The last sentence of section 505 of the FREEDOM Support Act (22 U.S.C. 5855) is amended by striking ", through the Defense Conversion" and all that follows through "or through" and inserting "or through".

(19) EMERGENCY JOBS AND UNEMPLOYMENT ASSISTANCE ACT OF 1974.—

(A) SECTION 204.—Section 204(b) of the Emergency Jobs and Unemployment Assistance Act of 1974 (26 U.S.C. 3304 note) is amended by striking "designate as an area" and all that follows and inserting "designate as an area under this section an area that is a local workforce development area under the Employment, Training, and Literacy Enhancement Act.".

(B) SECTION 223.—Section 223 of the Emergency Jobs and Unemployment Assistance Act of 1974 (26 U.S.C. 3304 note) is amended—

(i) in paragraph (3), by striking "assistance provided" and all that follows and inserting "assistance provided under the Employment, Training, and Literacy Enhancement Act;"; and

(ii) in paragraph (4), by striking "funds provided" and all that follows and inserting "funds provided under the Employment, Training, and Literacy Enhancement Act;".

(20) JOB TRAINING REFORM AMENDMENTS OF 1992.—Section 701 of the Job Training Reform Amendments of 1992 (29 U.S.C. 1501 note) is repealed.

(21) PUBLIC LAW 98–524.—Section 7 of Public Law 98–524 (29 U.S.C. 1551 note) is repealed.

(22) VETERANS' BENEFITS AND PROGRAMS IMPROVEMENT ACT OF 1988.—Section 402 of the Veterans' Benefits and Programs Improvement Act of 1988 (29 U.S.C. 1721 note) is amended—

(A) in subsection (a), by striking "title III of the Job Training Partnership Act (29 U.S.C. 1651 et seq.)" and inserting "the Employment, Training, and Literacy Enhancement Act";

(B) in subsection (c), by striking "Training, in consultation with the office designated or created under section 322(b) of the Job Training Partnership Act," and inserting "Training"; and

(C) in subsection (d)—

(i) in paragraph (1), by striking "under—" and all that follows through "the Veterans'" and inserting "under the Veterans'"; and

(ii) in paragraph (2), by striking "Employment and training" and all that follows and inserting "Employment, training, and literacy activities under the Employment, Training, and Literacy Enhancement Act.".

(23) VETERANS' JOB TRAINING ACT.—

(A) SECTION 13.—Section 13(b) of the Veterans' Job Training Act (29 U.S.C. 1721 note) is amended by striking "assistance under the Job Training Partnership Act (29 U.S.C. 1501 et seq.)" and inserting "assistance under the Employment, Training, and Literacy Enhancement Act".

(B) SECTION 14.—Section 14(b)(3)(B)(i)(II) of the Veterans' Job Training Act (29 U.S.C. 1721 note) is amended by striking "under part C of title IV of the Job Training Partnership Act (29 U.S.C. 1501 et seq.)" and inserting "under the Employment, Training, and Literacy Enhancement Act".

(C) SECTION 15.—Section 15(c)(2) of the Veterans' Job Training Act (29 U.S.C. 1721 note) is amended—

(i) in the second sentence, by striking "part C of title IV of the Job Training Partnership Act (29 U.S.C. 1501 et seq.)" and inserting "the Employment, Training, and Literacy Enhancement Act"; and

(ii) in the third sentence, by striking "title III of".

(24) WORKER ADJUSTMENT AND RETRAINING NOTIFICATION ACT.—Section 3(a)(2) of the Worker Adjustment and Retraining Notification Act (29 U.S.C. 2102(a)(2)) is amended by striking "title III of the Job Training Partnership Act" and inserting "title II, III, or IV of the Employment, Training, and Literacy Enhancement Act".

(25) TITLE 31, UNITED STATES CODE.—Section 6703(a) of title 31, United States Code, is amended by striking paragraph (4) and inserting the following:

"(4) Programs under title III or IV of the Employment, Training, and Literacy Enhancement Act.".

(26) VETERANS' REHABILITATION AND EDUCATION AMENDMENTS OF 1980.—Section 512 of the Veterans' Rehabilitation and Education Amendments of 1980 (38 U.S.C. 4101 note) is amended by striking "the Comprehensive Employment and Training Act (29 U.S.C. et seq.)," and inserting "the Employment, Training, and Literacy Enhancement Act,".

(27) TITLE 38, UNITED STATES CODE.—

(A) SECTION 4102A.—Section 4102A(d) of title 38, United States Code, is amended by striking "the Job Training Partnership Act" and inserting "the Employment, Training, and Literacy Enhancement Act".

(B) SECTION 4103A.—Section 4103A(c)(4) of title 38, United States Code, is amended by striking "Job Training Partnership Act (29 U.S.C. 1501 et seq.))" and inserting "Employment, Training, and Literacy Enhancement Act)".

(C) SECTION 4213.—Section 4213 of title 38, United States Code, is amended by striking "Job Training Partnership Act (29 U.S.C. 1501 et seq.)," and inserting "Employment, Training, and Literacy Enhancement Act,".

(28) UNITED STATES HOUSING ACT OF 1937.—Section 23 of the United States Housing Act of 1937 (42 U.S.C. 1437u) is amended—

(A) in subsection (b)(2)(A), by striking "the Job Training" and all that follows through "or the" and inserting "the Employment, Training, and Literacy Enhancement Act or the";

(B) in the first sentence of subsection (f)(2), by striking "programs under the" and all that follows through "and the" and inserting "programs under title II, III, or IV of the Employment, Training, and Literacy Enhancement Act and the"; and

(C) in subsection (g)—

(i) in paragraph (2), by striking "programs under the" and all that follows through "and the" and inserting "programs under title II, III, or IV of the Employment, Training, and Literacy Enhancement Act and the"; and

(ii) in paragraph (3)(H), by striking "program under" and all that follows through "and any other" and inserting "program under title II, III, or IV of the Employment, Training, and Literacy Enhancement Act and any other".

(29) HOUSING ACT OF 1949.—Section 504(c)(3) of the Housing Act of 1949 (42 U.S.C. 1474(c)(3)) is amended by striking "pursuant to" and all that follows through "or the" and inserting "pursuant to the Employment, Training, and Literacy Enhancement Act or the".

(30) OLDER AMERICANS ACT OF 1965.—

(A) SECTION 203.—Section 203 of the Older Americans Act of 1965 (42 U.S.C. 3013) is amended—

(i) in subsection (a)(2), by striking the last sentence and inserting the following: "In particular, the Secretary of Labor and the Secretary of Education shall consult and cooperate with the Assistant Secretary in carrying out the Employment, Training, and Literacy Enhancement Act of 1997."; and

(ii) in subsection (b), by striking paragraph (1) and inserting the following:

"(1) the Employment, Training, and Literacy Enhancement Act,".

(B) SECTION 502.—Section 502 of the Older Americans Act of 1965 (42 U.S.C. 3056) is amended—

(i) in subsection (b)(1)(N)(i), by striking "the Job Training Partnership Act (29 U.S.C. 1501 et seq.)" and inserting "the Employment, Training, and Literacy Enhancement Act"; and

(ii) in subsection (e)(2)(C), by striking "programs carried out under section 124 of the Job Training Partnership Act (29 U.S.C. 1534)" and inserting "employment and training activities carried out under title III of the Employment, Training, and Literacy Enhancement Act".

(C) SECTION 503.—Section 503(b)(1) of the Older Americans Act of 1965 (42 U.S.C. 3056a(b)(1)) is amended by striking "the Job Training Partnership Act," each place it appears and inserting "the Employment, Training, and Literacy Enhancement Act,".

(31) OMNIBUS CRIME CONTROL AND SAFE STREETS ACT OF 1968.—Section 1801(b)(3) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796ee(b)(3)) is amended by striking "Job Training Partnership Act (relating to Job Corps) (29 U.S.C. 1691 et seq.)" and inserting "Employment, Training, and Literacy Enhancement Act".

(32) ENVIRONMENTAL PROGRAMS ASSISTANCE ACT OF 1984.—The second sentence of section 2(a) of the Environmental Programs Assistance Act of 1984 (42 U.S.C. 4368a(a)) is amended by striking "Job Training Partnership Act" and inserting "Employment, Training, and Literacy Enhancement Act".

(33) DOMESTIC VOLUNTEER SERVICE ACT OF 1973.—

(A) SECTION 103.—Section 103(d) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4953(d)) is amended in the second sentence to read as follows: "Whenever feasible, such efforts shall be coordinated with a local workforce development board established under section 122 of the Employment, Training, and Literacy Enhancement Act.".

(B) SECTION 109.—Subsections (c)(2) and (d)(2) of section 109 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4959) is amended by striking "Job Training Partnership Act" and inserting "Employment, Training, and Literacy Enhancement Act".

(34) AGE DISCRIMINATION ACT OF 1975.—Section 304(c)(1) of the Age Discrimination Act of 1975 (42 U.S.C. 6103(c)(1)) is amended by striking "the Comprehensive Employment and Training Act of 1974 (29 U.S.C. 801 et seq.), as amended," and inserting "the Employment, Training, and Literacy Enhancement Act".

(35) ENERGY CONSERVATION AND PRODUCTION ACT.—Section 414(b)(3) of the Energy Conservation and Production Act (42 U.S.C. 6864(b)(3)) is amended by striking "the Comprehensive Employment and Training Act of 1973" and inserting "the Employment, Training, and Literacy Enhancement Act".

(36) NATIONAL ENERGY CONSERVATION POLICY ACT.—Section 233 of the National Energy Conservation Policy Act (42 U.S.C. 6873) is amended, in the matter preceding paragraph (1), by striking "the Comprehensive Employment and Training Act of 1973" and inserting "the Employment, Training, and Literacy Enhancement Act".

(37) COMMUNITY ECONOMIC DEVELOPMENT ACT OF 1981.—Section 617(a)(3) of the Community Economic Development Act of 1981 (42 U.S.C. 9806(a)(3)) is amended by striking "activities such as those described in the Comprehensive Employment and Training Act" and inserting "employment and training activities described in the Employment, Training, and Literacy Enhancement Act".

(38) STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT.—Section 103(b)(2) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11302(b)(2)) is amended by striking "the Job Training Partnership Act" and inserting "the Employment, Training, and Literacy Enhancement Act".

(39) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—

(A) SECTION 177.—Section 177(d) of the National and Community Service Act of 1990 (42 U.S.C. 12637(d)) is amended by striking "Job Training Partnership Act" each place it appears and inserting "Employment, Training, and Literacy Enhancement Act".

(B) SECTION 198C.—Section 198C of the National and Community Service Act of 1990 (42 U.S.C. 12653c) is amended—

(i) in subsection (b)(1), by striking "a military installation described in section 325(e)(1) of the Job Training Partnership Act (29 U.S.C. 1662d(e)(1))." and inserting "a military installation being closed or realigned under—

"(A) the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note); and

"(B) title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note)."; and

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(ii) in subsection (e)(1)(B), by striking clause (iii) and inserting the following:

"(iii) an at-risk youth (as defined in section 4 of the Employment, Training, and Literacy Enhancement Act).".

(C) SECTION 199L.—Section 199L(a) of the National and Community Service Act of 1990 (42 U.S.C. 12655m(a)) is amended by striking "the Job Training Partnership Act (29 U.S.C. 1501 et seq.)" and inserting "the Employment, Training, and Literacy Enhancement Act".

(40) CRANSTON-GONZALEZ NATIONAL AFFORDABLE HOUSING ACT.—

(A) SECTION 454.—Subparagraphs (H) and (M) of subsection (c)(2), and subsection (d)(7), of section 454 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12899c) are amended by striking "the Job Training Partnership Act" and inserting "the Employment, Training, and Literacy Enhancement Act".

(B) SECTION 456.—The first sentence of section 456(e) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12899e(e)) is amended by striking "the Job Training Partnership Act" each place it appears and inserting "the Employment, Training, and Literacy Enhancement Act".

(41) VIOLENT CRIME CONTROL AND LAW ENFORCEMENT ACT OF 1994.—Section 31113(a)(4)(C) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 13823(a)(4)(C)) is amended by inserting after "the Job Training Partnership Act (29 U.S.C. 1501 et seq.)" the following: ", title II, III, or IV of the Employment, Training, and Literacy Enhancement Act,".

(42) PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996.—Section 403(c)(2)(K) and section 423(d)(11) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1613(c)(2)(K) and 1138a note) are amended by striking "Job Training Partnership Act" each place it appears and inserting "Employment, Training, and Literacy Enhancement Act".

TITLE X—EFFECTIVE DATE AND TRANSITION PROVISIONS

SEC. 1001. EFFECTIVE DATE.

This division and the amendments made by this division shall take effect on July 1, 1998.

SEC. 1002. TRANSITION PROVISIONS.

The Secretary of Education and the Secretary of Labor, as appropriate, shall take such steps as such Secretaries determine to be appropriate to provide for the orderly transition from any authority under provisions of law amended or repealed by this division or any related authority under the provisions of this division.

DIVISION B—VOCATIONAL REHABILITATION PROGRAMS

TITLE XXI—AMENDMENTS TO GENERAL PROVISIONS

SEC. 2101. REHABILITATION SERVICES ADMINISTRATION.

Section 3 of the Rehabilitation Act of 1973 (29 U.S.C. 702) is amended—

(1) in subsection (b), by striking ", as well as unexpended appropriations for carrying out the Vocational Rehabilitation Act (29 U.S.C. 31–42),"; and

(2) by striking subsection (c).

SEC. 2102. DEFINITIONS.

Section 7 of the Rehabilitation Act of 1973 (29 U.S.C. 706) is amended—

(1) by striking paragraph (12);

(2) in paragraph (15)(A), by inserting a comma after "subparagraph (B) or (C)";

(3) by adding at the end the following:

"(36) The term 'administrative costs' means—

"(A) expenditures not incurred by the State unit for—

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"(i) rehabilitation counselors;

"(ii) rehabilitation case coordinators; or

"(iii) other direct service personnel; and

"(B) notwithstanding subparagraph (A) includes expenditures incurred by the State unit in the performance of administrative functions under the vocational rehabilitation program, including expenses related to program planning, development, monitoring, and evaluation, including—

"(i) quality assurance;

"(ii) budgeting, accounting, financial management, information systems, and related data processing;

"(iii) providing information about the program to the public;

"(iv) technical assistance to other State agencies, private nonprofit organizations, and businesses and industries;

"(v) the State Rehabilitation Advisory Council and other advisory committees;

"(vi) professional organization membership dues for State unit employees;

"(vii) the removal architectural barriers in State vocational rehabilitation agency offices and State operated rehabilitation facilities;

"(viii) operating and maintaining State unit facilities, equipment, and grounds;

"(ix) supplies;

"(x) administration of the comprehensive system of personnel development, including personnel administration, administration of affirmative action plans, and training and staff development, administrative salaries, including clerical and other support staff salaries, in support of these functions;

"(xi) travel costs related to carrying out the program, other than travel costs related to the provision of services;

"(xii) costs incurred in conducting reviews of rehabilitation counselor or coordinator determinations; and

"(xiii) legal expenses required in the administration of the program."; and

(4) by redesignating paragraphs (36), (22), (23), (24), (25), (1), (2), (3), (26), (4), (5), (6), (27), (7), (28), (29), (30), (20), (21), (8), (31), (15), (32), (9), (10), (33), (11), (19), (13), (14), (16), (18), (34), (35), and (17) as paragraphs (1) through (35), respectively.

SEC. 2103. REPORTS.

Section 13 of the Rehabilitation Act of 1973 (29 U.S.C. 712) is amended by inserting after the third sentence "The Commissioner shall also annually collect information with respect to the title I, vocational rehabilitation services program, on administrative costs and other expenditures under the program.".

TITLE XXII—AMENDMENTS TO VOCATIONAL REHABILITATION SERVICES

Subtitle A—General Provisions

SEC. 2201. DECLARATION OF POLICY; AUTHORIZATION OF APPROPRIATIONS.

Section 100(b) of the Rehabilitation Act of 1973 (29 U.S.C. 720(b)) is amended in each of paragraphs (1) and (2) by striking "fiscal years 1993 through 1997" and inserting "fiscal years 1998, 1999, and 2000".

SEC. 2202. STATE PLANS.

Section 101(a) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)) is amended—

(1) in paragraph (4)—

(A) by striking ", except that in the case" and inserting ", except that—"(A) in the case";

(B) by striking "to the extent permitted by such regulations,";

(C) by inserting "and" after the semicolon; and

(D) by adding at the end the following:

"(B) in the case of earmarked funds used as the State match for Federal funds, where such funds are earmarked for particular geographic areas within a State;";

(2) in paragraph (7)(A)—

(A) by striking clause (i)(II) and all that follows;

(B) by striking "which shall include—

"(i) a description" and inserting "which shall include a description";

(C) by striking "on an annual basis—

"(I) the number and type" and inserting "on an annual basis the number and type"; and

(D) by striking "counselors to clients; and" and inserting "counselors to clients;";

(3) in paragraph (11)(A)—

(A) by striking "(20 U.S.C. 2301 et seq.), and" and inserting "(20 U.S.C. 2301 et seq.),"; and

(B) by inserting after "(41 U.S.C. 46 et seq.)" the following: ", and State use contracting programs";

(4) by striking paragraph (13);

(5) by striking paragraph (17);

(6) in paragraph (24)—

(A) in the matter preceding subparagraph (A), by striking "students who are individuals" and inserting "students"; and

(B) in subparagraph (B), by striking "individualized written rehabilitation program" and inserting "individualized education program";

(7) in paragraph (25), by striking "Secretary" and inserting "Commissioner";

(8) in paragraph (28), by adding at the end before the semicolon the following: "and State use contracting programs";

(9) by striking paragraph (30);

(10) in paragraph (33), by striking "and working relationships";

(11) in paragraph (36)—

(A) in subparagraph (B)(i), by moving the margin two ems to the left; and

(B) in clauses (i), (ii), and (iii) of subparagraph (C) (including subclause (II) of each of such clauses (ii) and (iii)), by moving the margin two ems to the left; and

(12) by redesignating paragraphs (14), (15), (16), (18) through (22), (24) through (29), and (31) through (36) as paragraphs (13) through (32), respectively.

SEC. 2203. SCOPE OF VOCATIONAL REHABILITATION SERVICES.

Section 103(a) of the Rehabilitation Act of 1973 (29 U.S.C. 723(a)) is amended—

(1) by striking paragraph (7); and

(2) by redesignating paragraphs (8) through (16) as paragraphs (7) through (15), respectively.

SEC. 2204. STATE REHABILITATION ADVISORY COUNCIL.

Section 105 of the Rehabilitation Act of 1973 (29 U.S.C. 725) is amended by striking subsection (i).

SEC. 2205. EVALUATION STANDARDS AND PERFORMANCE INDICATORS.

Section 106(a) of the Rehabilitation Act of 1973 (29 U.S.C. 726(a)) is amended in paragraph (1) by adding at the end the following: "After such date, the Commissioner shall review and, if necessary, revise the evaluation standards and performance indicators every three years. Any necessary revisions shall be developed with input from State vocational rehabilitation agencies, related professional and consumer organizations, recipients of vocational rehabilitation services, and other interested parties. Any proposed revisions shall be subject to the notice, publication, and comment provisions described in paragraph (3).".

SEC. 2206. MONITORING AND REVIEW.

Section 107(a) of the Rehabilitation Act of 1973 (29 U.S.C. 727(a)) is amended by adding at the end the following:

"(5) MONITORING AND REVIEW REPORTS.—Any reports detailing the findings of the annual reviews and periodic on-site monitoring visits shall be made available to the State Rehabilitation Advisory Council for use in the development and modification of the State plan.".

Subtitle B—Basic Vocational Rehabilitation Services

SEC. 2211. STATE ALLOTMENTS.

Section 110(d)(2) of the Rehabilitation Act of 1973 (29 U.S.C. 730(d)(2)) is amended—

(1) by striking "the Secretary—" and all that follows through "(B) not less than" and inserting "the Secretary, not less than"; and

(2) by striking "fiscal years 1995, 1996, and 1997" and inserting "fiscal years 1998, 1999, and 2000".

SEC. 2212. PAYMENTS TO STATES.

Section 111(a)(2)(B) of the Rehabilitation Act of 1973 (29 U.S.C. 731(a)(2)(B)) is amended—

(1) by striking clause (i); and

(2) by striking "(ii)".

SEC. 2213. CLIENT ASSISTANCE PROGRAM.

Section 112(h) of the Rehabilitation Act of 1973 (29 U.S.C. 732(h)) is amended by striking "fiscal years 1993 through 1997" and inserting "fiscal years 1998, 1999, and 2000".

TITLE XXIII—AMENDMENTS TO RESEARCH AND TRAINING

SEC. 2221. AUTHORIZATION OF APPROPRIATIONS.

Section 201(a) of the Rehabilitation Act of 1973 (29 U.S.C. 761(a)) is amended—

(1) in paragraph (1), by striking "each of fiscal years 1993 through 1997" and inserting "fiscal years 1998, 1999, and 2000"; and

(2) in paragraph (2), by striking "each of fiscal years 1993 through 1997" and inserting "fiscal years 1998, 1999, and 2000".

SEC. 2222. NATIONAL INSTITUTE ON DISABILITY AND REHABILITATION RESEARCH.

Section 202(c) of the Rehabilitation Act of 1973 (29 U.S.C. 761a(c)) is amended—

(1) by striking ", except that" and all that follows through "regular technical and professional employees of the Institute"; and

(2) by redesignating paragraph (4) as paragraph (2).

TITLE XXIV—AMENDMENTS TO TRAINING AND DEMONSTRATION PROJECTS

Subtitle A—Training Programs and Community Rehabilitation Programs

SEC. 2231. TRAINING.

Section 302 of the Rehabilitation Act of 1973 (29 U.S.C. 771a) is amended—

(1) in subsection (b)(1)(B)(iv), by moving the margin two ems to the left;

(2) by striking subsection (e);

(3) in subsection (g)(3)(A)—

(A) in clause (ii), by adding "and" at the end;

(B) in clause (iii), by striking "; and" and inserting a period; and

(C) by striking clause (iv); and

(4) in subsection (h), by striking "fiscal years 1993 through 1997" and inserting "fiscal years 1998, 1999, and 2000"; and

(5) by redesignating subsections (f) through (i) as subsections (e) through (h), respectively.

SEC. 2232. REPEALERS.

(a) IN GENERAL.—Sections 303, 304, 305, and 306 of the Rehabilitation Act of 1973 (29 U.S.C. 772, 773, 775, and 776) are hereby repealed.

(b) CONFORMING AMENDMENT.—The table of contents of such Act (29 U.S.C. 701 note) is amended by striking the items relating to sections 303, 304, 305, and 306.

SEC. 2233. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 310 of the Rehabilitation Act of 1973 (29 U.S.C. 777) is amended—

(1) by striking "each of fiscal years 1993 through 1997" and inserting "fiscal years 1998, 1999, and 2000";

(2) by redesignating such section as section 303; and

(3) by inserting such section after section 302.

(b) CONFORMING AMENDMENT.—The table of contents of such Act (29 U.S.C. 701 note) is amended—

(1) by striking the item relating to section 310 (as such section was in effect prior to the redesignation of such section under subsection (a)(2)); and

(2) by inserting after the item relating to section 302 the following:

"Sec. 303. Authorization of appropriations.".

Subtitle B—Special Projects and Supplementary Services

SEC. 2241. SPECIAL DEMONSTRATION PROGRAMS

Section 311 of the Rehabilitation Act of 1973 (29 U.S.C. 777a) is amended—

(1) in subsection (a), by striking "Subject to the provisions of section 306, the" and inserting "The";

(2) by striking subsection (b);

(3) in subsections (c) and (d), by striking "fiscal years 1993 through 1997" each place it appears and inserting "fiscal years 1998, 1999, and 2000"

(4) by striking subsection (e); and

(5) by redesignating subsections (c), (d), and (f) as subsections (b), (c), and (d), respectively.

SEC. 2242. MIGRATORY WORKERS.

Section 312(b) of the Rehabilitation Act of 1973 (29 U.S.C. 777b(b)) is amended by striking "fiscal years 1993 through 1997" and inserting "fiscal years 1998, 1999, and 2000".

SEC. 2243. REPEALERS.

(a) IN GENERAL.—Sections 314 and 315 of the Rehabilitation Act of 1973 (29 U.S.C. 777d and 777e) are hereby repealed.

(b) CONFORMING AMENDMENT.—The table of contents of such Act (29 U.S.C. 701 note) is amended by striking the items relating to sections 314 and 315.

SEC. 2244. SPECIAL RECREATIONAL PROGRAMS.

(a) IN GENERAL.—Section 316 of the Rehabilitation Act of 1973 (29 U.S.C. 777f) is amended—

(1) in subsection (b), by striking "fiscal years 1993 through 1997" and inserting "fiscal years 1998, 1999, and 2000";

(2) by redesignating such section as section 313; and

(3) by inserting such section after section 312, as amended by this Act.

(b) CONFORMING AMENDMENT.—The table of contents of such Act (29 U.S.C. 701 note) is amended—

(1) by striking the item relating to section 316 (as such section was in effect prior to the redesignation of such section under subsection (a)(2)); and

(2) by inserting after the item relating to section 312 the following:

"Sec. 313. Special recreational programs.".

TITLE XXV—AMENDMENTS TO NATIONAL COUNCIL ON DISABILITY

SEC. 2251. AUTHORIZATION OF APPROPRIATIONS.

Section 405 of the Rehabilitation Act of 1973 (29 U.S.C. 785) is amended by striking "fiscal years 1993 through 1997" and inserting "fiscal years 1998, 1999, and 2000".

TITLE XXVI—AMENDMENTS TO RIGHTS AND ADVOCACY

SEC. 2261. EMPLOYMENT OF INDIVIDUALS WITH DISABILITIES.

Section 501(a) of the Rehabilitation Act of 1973 (29 U.S.C. 791(a)) is amended in the third sentence by striking "the Handicapped" and inserting "People With Disabilities".

SEC. 2262. ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD.

Section 502 of the Rehabilitation Act of 1973 (29 U.S.C. 792) is amended—

(1) in subsection (a), by striking "Chairperson" and inserting "chairperson"; and

(2) in subsection (g)(2), by striking "Committee on Education and Labor" and inserting "Committee on Education and the Workforce".

SEC. 2263. PROTECTION AND ADVOCACY OF INDIVIDUAL RIGHTS.

Section 509 of the Rehabilitation Act of 1973 (29 U.S.C. 794e) is amended—

(1) by redesignating subsection (n) as subsection (i);

(2) in subsection (l), by striking "Committee on Education and Labor" and inserting "Committee on Education and the Workforce"; and

(3) in subsection (m), by striking "each of the fiscal years 1993, 1994, 1995, 1996, and 1997" and inserting "each of the fiscal years 1998, 1999, and 2000".

TITLE XXVII—AMENDMENTS TO EMPLOYMENT OPPORTUNITIES FOR INDIVIDUALS WITH DISABILITIES

SEC. 2271. AUTHORIZATION OF APPROPRIATIONS.

Sections 622 and 638 of the Rehabilitation Act of 1973 (29 U.S.C. 795i and 795q) are each amended by striking "each of fiscal years 1993 through 1997" and inserting "each of the fiscal years 1998, 1999, and 2000".

SEC. 2272. REPEALERS.

(a) IN GENERAL.—Parts A and D of title VI of the Rehabilitation Act of 1973 (29 U.S.C. 795 et seq. and 795r) are hereby repealed.

(b) CONFORMING AMENDMENTS.—

(1) IN GENERAL.—Parts B and C of title VI of such Act (29 U.S.C. 795g et seq. and 795k et seq.) are redesignated as parts A and B of title VI of such Act, respectively.

(2) TABLE OF CONTENTS.—The table of contents of such Act (29 U.S.C. 701 note) is amended—

(A) by striking the items relating to parts A and D of title VI (as such parts were in effect prior to the repeal of such parts under subsection (a)); and

(B) by redesignating the items relating to parts B and C of title VI (as such parts were in effect prior to the redesignation of such parts under paragraph (1)) as items relating to parts A and B of title VI of such Act, respectively.

TITLE XXVIII—AMENDMENTS TO INDEPENDENT LIVING SERVICES AND CENTERS FOR INDEPENDENT LIVING

SEC. 2281. AUTHORIZATION OF APPROPRIATIONS.

(a) SECTIONS 714 AND 727.—Sections 714 and 727 of the Rehabilitation Act of 1973 (29 U.S.C. 796e–3 and 796f–6) are amended by striking "each of the fiscal years 1993, 1994, 1995, 1996, and 1997" and inserting "each of the fiscal years 1998, 1999, and 2000".

(b) SECTION 753.—Section 753 of such Act (29 U.S.C. 796l) is amended by striking "each of the fiscal years 1993 through 1997" and inserting "each of the fiscal years 1998, 1999, and 2000".

SEC. 2282. PROGRAM AUTHORIZATION FOR CENTERS FOR INDEPENDENT LIVING.

Section 721(c)(1)(A) of the Rehabilitation Act of 1973 (29 U.S.C. 796f(c)(1)(A)) is amended by striking ",," and inserting a comma.

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TITLE XXIX—AMENDMENTS TO SPECIAL DEMONSTRATIONS AND TRAINING PROJECTS

SEC. 2291. AUTHORIZATION OF APPROPRIATIONS.

Section 801 of the Rehabilitation Act of 1973 (29 U.S.C. 797) is amended by striking "1993 through 1997." each place such term appears and inserting "1998 through 2000.".

SEC. 2292. DEMONSTRATION ACTIVITIES.

Section 802 of the Rehabilitation Act of 1973 (29 U.S.C. 797a) is amended to read as follows:

"SEC. 802. DEMONSTRATION PROJECTS TO INCREASE CLIENT CHOICE.

"(a) Grants.—The Commissioner may make grants to States and public or nonprofit agencies and organizations to pay all or part of the costs of projects to demonstrate ways to increase client choice in the rehabilitation process, including the selection of providers of vocational rehabilitation services.

"(b) Use of Funds.—An entity that receives a grant under this section shall use the grant only—

"(1) for activities that are directly related to planning, operating, and evaluating the demonstration projects; and

"(2) to supplement, and not supplant, funds made available from Federal and non-Federal sources for such projects.

"(c) Application.—Any eligible entity that desires to receive a grant under this section shall submit an application at such time, in such manner, and containing such information and assurances as the Commissioner may require, including—

"(1) a description of—

"(A) how the applicant intends to promote increased client choice in the rehabilitation process, including a description, if appropriate, of how an applicant will determine the cost of any service or product offered to an eligible client;

"(B) how the applicant intends to ensure that any vocational rehabilitation service or related service is provided by a qualified provider who is accredited or meets such other quality assurance and cost-control criteria as the State may establish; and

"(C) the outreach activities to be conducted by the applicant to obtain eligible clients; and

"(2) assurances that a written plan will be established with the full participation of the client, which plan shall, at a minimum, include—

"(A) a statement of the vocational rehabilitation goals to be achieved;

"(B) a statement of the specific vocational rehabilitation services to be provided, the projected dates for their initiation, and the anticipated duration of each such service; and

"(C) objective criteria, an evaluation procedure, and a schedule, for determining whether such goals are being achieved.

"(d) Award of Grants.—In selecting entities to receive grants under subsection (a), the Commissioner shall take into consideration the—

"(1) diversity of strategies used to increase client choice, including selection among qualified service providers;

"(2) geographic distribution of projects; and

"(3) diversity of clients to be served.

"(e) Records.—Entities that receive grants under subsection (a) shall maintain such records as the Commissioner may require and comply with any request from the Commissioner for such records.

"(f) Direct Services.—At least 80 percent of the funds awarded for any project under this section shall be used for direct services, as specifically chosen by eligible clients.

"(g) Evaluation.—The Commissioner shall conduct an evaluation of the demonstration projects with respect to the services provided, clients served, client outcomes obtained, implementation issues addressed, the cost effectiveness of the project, and the effects of increased choice on clients and service providers. The Commissioner may reserve funds for the evaluation for a fiscal year from the amounts appropriated to carry out projects under this section for the fiscal year.

"(h) Definitions.—For the purposes of this section:

"(1) Direct services.—The term 'direct services' means vocational rehabilitation services, as described in section 103(a).

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"(2) ELIGIBLE CLIENT.—The term 'eligible client' means an individual with a disability, as defined in section 7(8)(A), who is not currently receiving services under an individualized written rehabilitation program established through a designated State unit.".

SEC. 2293. TRAINING ACTIVITIES.

(a) IN GENERAL.—Section 803 of the Rehabilitation Act of 1973 (29 U.S.C. 797b) is amended—

(1) by striking subsections (d) and (e) and redesignating subsection (f) as subsection (d);

(2) in subsection (d) (as so redesignated by paragraph (1))—

(A) by striking "(g)" and inserting "(f)"; and

(B) by striking the last sentence; and

(3) by striking subsection (a) and redesignating subsections (b) through (d) (as so redesignated by paragraph (1)) as subsections (a) through (c).

(b) EFFECTIVE DATES.—

(1) PARAGRAPHS (1) AND (2).—The amendments made by paragraphs (1) and (2) of subsection (a) shall take effect on October 1, 1997.

(2) SUBSECTION (a)(3).—The amendment made by paragraph (3) of subsection (a) shall take effect on October 1, 1998.

TITLE XXX—AMENDMENTS TO THE HELEN KELLER NATIONAL CENTER ACT

SEC. 2295. AUTHORIZATION OF APPROPRIATIONS.

Section 205(a) of the Helen Keller National Center Act (29 U.S.C. 1904(a)) and section 208(h) of such Act (29 U.S.C. 1907(h)) are each amended by striking "1993 through 1997" and inserting "1998, 1999, and 2000".

TITLE XXXI—EFFECTIVE DATE

SEC. 2297. EFFECTIVE DATE.

Except as provided in section 2293, this division and the amendments made by this division shall take effect on October 1, 1997.

PURPOSE

The purpose of this Act is—

(1) to transform the current array of Federal employment, training and adult education and literacy programs from a collection of fragmented and duplicative categorical programs into high quality, coherent, and accountable State and local systems that are designed to provide high quality training for today and the 21st century;

(2) to empower individuals to choose occupations and training programs, based on accurate and up-to-date information, that will develop more fully their academic, occupational, and literacy skills, leading to productive employment and economic self-sufficiency, and reduction in welfare dependency;

(3) to provide resources and authority to States and local communities and increase ease of access to high quality employment, training and literacy programs;

(4) to provide adults with the adult education services they require to participate fully in society;

(5) to meet the needs of employers in the United States to be competitive; and

(6) to ensure an adequate return on the investment of funds in employment, training and literacy programs through strong program accountability.

COMMITTEE ACTION

The Subcommittee on Postsecondary Education, Training, and Life-Long Learning held hearings on February 11, 1997, February 25, 1997, February 27, 1997, and March 4, 1997, on the reform of the major Federal employment, job training, adult education, literacy and vocational rehabilitation programs.

The February 11, 1997, hearing in Washington, D.C., examined how job training laws can be changed to encourage and support State and local innovation and reform. The Subcommittee received testimony from the Honorable John Engler, Governor, State of Michigan, and the Honorable David Steele, State Senator, State of Utah. The Subcommittee also received testimony from the Honorable William A. Johnson, Jr., Mayor, City of Rochester, New York; the Honorable Tom Collins, Commissioner, Adams County, Pennsylvania; Jeffrey Howe, Chairman, North Central Indiana Private Industry Council, Peru, Indiana; and, David Smith, Director of Policy, AFL-CIO, Washington, D.C.

The February 25, 1997, hearing in Washington, D.C., focused on the Adult Education Act and family literacy programs. The Subcommittee received testimony from the Honorable Lamar Smith, U.S. Congressman, State of Texas, and the Honorable Patricia McNeil, Assistant Secretary for Vocational and Adult Education, U.S. Department of Education, Washington, D.C. The Subcommittee also received testimony from Marian Jackson, an adult education program participant, Reston, Virginia; Andrew Hartman, Director, National Institute for Literacy, Washington, D.C.; Sam Drew, Director, Office of Community Education, South Carolina Department of Education, Columbia, South Carolina; Sharon Darling, President, National Center for Family Literacy, Louisville, Kentucky; L.E. Bunch, Assistant Director, UAW-GM Center for Human Resources, Auburn Hills, Michigan; and, Evelyn Renner, State Liaison, Literacy Volunteers of America, Anaheim, California.

The February 27, 1997, hearing in Washington, D.C., examined the Rehabilitation Act of 1973. The Subcommittee received testimony from the Honorable Judy Heumann, Assistant Secretary, Office of Special Education and Rehabilitative Services, U.S. Department of Education, Washington, D.C. The Subcommittee also received testimony from Paul Spooner, Executive Director, MetroWest Center for Independent Living, Inc., Framingham, Massachusetts; Suzanne Hutcheson, President, Tri-County TEC, Stuart, Florida; and, P. Charles LaRosa, Commissioner, South Carolina Vocational Rehabilitation Department, West Columbia, South Carolina.

The March 4, 1997, hearing in Washington, D.C., continued examination of how job training laws can be changed to encourage and support State and local innovation and reform. The Subcommittee received testimony from Raymond J. Uhalde, Acting Assistant Secretary of the Employment and Training Administration at the U.S. Department of Labor. The Subcommittee also received testimony from Donna DeWeerd, Director, Napa County Training and Employment Center, Napa, California; Jan Vogel, Executive Director, South Bay Private Industry Council, Inglewood, California; Susan Kelley, Vice President, Valencia Community College, Orlando, Florida; Thomas M. Buzbee, Executive Director, Gulf Coast Trades Center, New Waverly, Texas; Adrian Garcia, Student, Gulf Coast Trades Center, New Waverly, Texas; and, Chuck McIlhinney, Manager of Administration, Bucks County Office of Employment and Training, Doylestown, Pennsylvania.

INTRODUCTION OF EMPLOYMENT, TRAINING AND LITERACY ENHANCEMENT ACT

On April 17, 1997, Representatives McKeon, Goodling, and Kildee introduced H.R. 1385, the Employment, Training, and Literacy Enhancement Act of 1997.

LEGISLATIVE ACTION

On April 24, 1997, the Subcommittee on Postsecondary Education, Training, and Life-Long Learning favorably reported the bill with amendments to the full Committee on Education and the Workforce by a voice vote.

On April 30, 1997, the Committee on Education and the Workforce assembled to consider H.R. 1385, the Employment, Training and Literacy Enhancement Act of 1997. H.R. 1385, as amended, was favorably reported by the Education and the Workforce Committee on April 30, 1997, by a voice vote.

SUMMARY

The Employment, Training, and Literacy Enhancement Act of 1997 includes two Divisions. Division A of the legislation amends, consolidates and improves existing programs established under the Job Training Partnership Act (JTPA), the Adult Education Act, and the Wagner-Peyser Act. Overall, H.R. 1385, the "Employment, Training, and Literacy Enhancement Act of 1997" consolidates over 60 existing employment, training, and literacy programs through the establishment of three block grants to States and localities, and through amendments to the Rehabilitation Act of 1973.

Division A consists of ten separate titles as outlined below:

TITLE I—GENERAL PROVISIONS

Title I includes significant reform of the current JTPA State and local delivery structure as well as its fiscal and performance accountability provisions, and provides greater authority to States and localities in the design and operation of their individual employment, training and literacy systems. Under the new provisions, Governors would establish a collaborative process including representatives of the State legislature, key State agency heads, and leaders from business, local officials, education and training experts, representatives of employees, and others, to develop a single State plan for the three block grants authorized under this Act and for programs authorized under the Wagner-Peyser Act, and a performance measurement system for the three block grants.

The collaborative process would also be used to carry out other duties including designation of local workforce development areas, development of criteria for appointment of local workforce development boards, and development of criteria for the Statewide full-service employment and training delivery system.

Title I also includes provisions for the establishment of Workforce Development Boards, replacing the current Private Industry Councils (PICs) under JTPA. Unlike PICs these business-led boards would generally not run programs but instead provide policy guidance and oversight over local systems and would be responsible for the establishment of local full service employment and training delivery systems-easily accessible single points of entry into the employment and training system. Locally elected officials would continue to play an important role in the development and implementation of the local system.

In addition, this title includes provisions for the selection of service providers eligible to provide training services under the Adult Employment and Training Block Grant and also includes numerous amendments to the general programmatic and fiscal provisions under title I of JTPA.

TITLE II—DISADVANTAGED YOUTH EMPLOYMENT AND TRAINING OPPORTUNITIES GRANT

Title II of the bill would amend JTPA by merging the existing summer youth employment and year-round training programs for Disadvantaged Youth into a single Disadvantaged Youth Employment and Training Opportunities block grant.

The bill maintains the current JTPA title II–C formula for the allotment of funds to the States. At the State level, the Governor may reserve up to 25 percent of the State allotment to carry out certain State level activities, including the provision of assistance to local areas with high concentrations of disadvantaged youth. From the amount reserved by the Governor, at least 10 percent of the State's allotment must be used to provide incentive grants to local communities for programs that serve school dropouts.

Under the bill, funds would be allocated to local areas based on a State-determined formula (developed through the collaborative process). Consistent with JTPA, the amended disadvantaged youth program would serve only economically disadvantaged youth age 16–21, except that as under current law, 10 percent of funds may be used to serve youth who are not economically disadvantaged, but who are determined to have substantial barriers to employment (and who fall in defined categories of "hard-to-serve" youth). The bill gives priority for services to individuals who, in addition to being economically disadvantaged, are determined to be hard to serve, including school dropouts.

Building on existing provisions within JTPA, the legislation outlines essential program elements for disadvantaged youth programs including: development of assessments and service strategies for participants; integration of academic, occupational, and work-based learning; provision of comprehensive guidance and counseling; provision of postsecondary education and training opportunities, where appropriate; involvement of employers and parents in the design and implementation of programs; and provision of adult mentoring. Authorized uses of funds include: direct training services; tutoring and study skills training; instruction leading to completion of high school or the equivalent; alternative high school services; paid and unpaid work experience, including summer employment opportunities, which are directly linked to academic, occupational, and work-based learning; mentoring; training-related supportive services; peer-centered activities encouraging responsibility and other positive social behaviors during non-school hours; and other training and transition services that assist disadvantaged youth make the transition to employment, as determined appropriate by the local area.

TITLE III—ADULT EMPLOYMENT AND TRAINING GRANT

Title III of the bill amends JTPA by turning the current Dislocated Worker grant program and the Economically Disadvantaged Adult program (along with numerous other categorical training programs for adults) into a block grant for all adults. While a single employment and training system would be established through such consolidation, funding for dislocated workers would remain protected through a separate funding stream.

The federal-to-State formulas for allotment of funds to States would be based upon current law, with funds flowing to States based on the current title II-A (Disadvantaged Adults) and the title III (Dislocated Workers) formulas. Using up to 15 percent of funds allotted to the State from the adult funding stream, Governors may carry out incentive grant programs and other specified discretionary activities. Governors may use up to 30 percent of funds reserved under the dislocated worker funding allotment to provide rapid response, to provide additional assistance to local areas experiencing worker dislocation, and for other specified activities.

Funds under both the adult and dislocated worker funding streams, would be allocated to local workforce development areas based upon State-determined formulas developed through the collaborative process. Such funds would be available to local workforce development areas for the establishment of full-service employment and training delivery systems; and for the provision of core, intensive, and training services for adults and for dislocated workers, respectively.

Availability of training is based on a "work first" approach. Individuals who are unable to obtain initial employment, or employment that will lead to self-sufficiency, through the core services and who after an interview, evaluation, or assessment and counseling and have been determined to be in need of training services, may receive training. In addition, under the adult funding stream, priority for intensive and training services must be given to welfare recipients and other economically disadvantaged individuals with multiple barriers to employment.

Training services for adults must be provided through the use of skill grants distributed through the full-service employment and training delivery system. Exceptions to this requirement include: on-the-job training; situations where there is an insufficient number of qualified providers of training services in a local area; situations where there is an insufficient number of qualified providers of services for special participant populations in the local area; or where the local board decides to enter into a direct training contract with a community based organization. However, in all cases, training services under this title must be provided through service delivery methods that, to the extent practicable, maximize consumer choice in the selection of eligible providers of training services.

Title III also authorizes the Secretary of Labor to award national emergency grants to areas affected by major economic dislocations and disasters.

TITLE IV—AMENDMENTS TO FEDERALLY ADMINISTERED PROGRAMS

Title IV of the bill would amend current federal programs and national activities under JTPA—including: programs for Native Americans; programs for Migrant and Seasonal Farmworkers; the Job Corps; national research, demonstration and evaluation authority; and labor market information. Under this title, certain programs are amended, while other unnecessary programs and statutory provisions are eliminated.

TITLE V—AMENDMENTS TO ADULT EDUCATION PROGRAMS

Title V consolidates several adult education and literacy programs into a single block grant to the States. Funds distributed to local adult education providers, through the States, are to be used to provide adult education and family literacy services to qualifying adults. The authorization for the National Institute for Literacy is contained under this Title. Title V also provides a framework to help ensure that adult education programs are closely aligned with federal job training programs.

TITLE VI—MISCELLANEOUS PROVISIONS

Title VI includes repealers and conforming amendments.

TITLE VII—AMENDMENTS TO STATE HUMAN RESOURCE INVESTMENT COUNCIL

Title VII includes amendments to the State Human Resource Council, existing councils which States may choose to utilize in establishing a collaborative process.

TITLE VIII—AMENDMENTS TO WAGNER-PEYSER ACT

Title VIII includes amendments to the Wagner-Peyser Act, ensuring additional coordination with the Employment, Training and Literacy Enhancement Act.

TITLE IX—TECHNICAL AND CONFORMING AMENDMENTS

Title IX includes additional technical and conforming amendments.

TITLE X—EFFECTIVE DATE AND TRANSITION PROVISIONS

Title X includes an effective date of July 1, 1998, and transition provisions.

DIVISION B—VOCATIONAL REHABILITATION PROGRAMS

Division B amends the Rehabilitation Act of 1973, a major Federal law which provides rehabilitation and employment training to adults with disabilities. These amendments extend the Act's authorization for three years, repeal numerous unfunded programs, and make certain technical and other changes to the Act.

COMMITTEE VIEWS

For years, concerns have mounted regarding this nation's confusing array of job training and employment-assistance programs. In 1993, the U.S. General Accounting Office identified as many as 163 different Federal programs which offer some form of education, job training or employment assistance for youth and adults. In addition to the excessive number of Federal programs, the quality of U.S. training programs varies significantly. At a time when the skill requirements of the U.S. workforce are at an all-time high, this country can no longer tolerate such inefficiency.

After careful consideration of this issue, and comprehensive hearings over the past three years, the Committee has developed legislation to take an important step in addressing these concerns. H.R. 1385, the "Employment, Training, and Literacy Enhancement Act of 1997" consolidates over 60 existing employment, training, and literacy programs through the establishment of three block grants to States and localities, and through amendments to the Rehabilitation Act of 1973. However, in development of this legislation the Committee determined not to include K-12 school-based programs for consolidation or reform in this bill, which accounted for many of the programs identified by the GAO in its earlier reports.

The consolidation in H.R. 1385 eliminates unnecessary duplication and fragmentation within employment, training, and literacy programs, while providing States and localities with the necessary flexibility to design programs to meet the needs in their communities of disadvantaged youth, dislocated workers and other adults in need of employment and training assistance, and individuals with basic skills deficiencies. The bill is based upon three guiding principles for reform:

Individual choice:

Providing individuals with choice in the selection of employment options and training providers to meet their personal needs through vouchers (skill grants).

Quality training For the 21st century:

Establishing a level playing field, where the best providers of employment and training services, including private sector providers, are able to compete to provide services.

Providing up-to-date information on jobs that are available within local communities, the skills that are necessary for such jobs, and training opportunities within the community.

Involving employers in the design and implementation of employment and training programs to ensure they are relevant to the skill needs of business in the community.

Reforming the system by driving resources and authority to local communities:

Transferring responsibility for the design and implementation of programs to States and local communities.

Consolidating existing Federal job training programs—providing States and local communities easier access to funding for workforce development programs that best meet the needs of their individual States and localities.

Encouraging further program consolidation and integration at the State and local levels, by removing barriers in Federal statutes to such reforms.

Increasing ease of access to high quality employment, training, and adult education and literacy services.

These principles appear to be very consistent with those expressed by Utah's State Senator David Steele in testimony provided to the Committee at the February 11 hearing on reform of employment and training programs. At that hearing, Senator Steele, testifying on behalf of the National Conference of State Legislatures, described the features that are included in Utah's reform legislation and that he considered as essential in the reform of workforce programs—"These features include: a user friendly or customer driven design; regional workforce service councils; a provision for "one stop" services; a planning process that involved both the legislative and executive branches of State government; and a commitment to the continuous improvement of the system."

TITLE I—STATE AND LOCAL ADMINISTRATIVE PROVISIONS

Title I of the bill amends title I of the Job Training Partnership Act (JTPA) by replacing or significantly amending most of JTPA's delivery system provisions, such as its State planning and administrative authority, local service delivery system, performance accountability, and program and fiscal requirement provisions.

STATE PLAN AND COLLABORATIVE PROCESS PROVISIONS

The bill requires that Governors, through a collaborative process, bring representatives of the State legislature, all relevant State agencies that are responsible for employment, training and literacy programs, and representatives of business and industry, locally-elected officials (representing both cities and counties, where appropriate), local educational agencies (including adult education and literacy providers), postsecondary institutions (including community colleges), community based organizations, representatives of employees, parents, and others as appropriate, together to plan for development of the employment, training, and literacy systems in each State.

It is the intent of the Committee that the Governor and the State agency responsible for Adult Education and Literacy programs, along with the other individuals and entities involved in the collaborative process, develop a single State plan for all three block grants, and for programs authorized under the Wagner-Peyser Act, and a single performance measurement system for the three block grants. In addition, the Committee intends for the Governor, through the collaborative process, to set overall policy guidance and criteria for: the designation of workforce development areas; the selection of local workforce development boards; establishment of a statewide full service employment and training delivery system; development of substate formulas for driving program dollars to local communities under title II and title III of the bill; and the identification of eligible providers of training under the Adult Employment and Training program. This consolidation of administrative, planning, and reporting requirements, in addition to the consolidation of numerous Federal programs and funding streams, are expected to reduce significantly duplicative and costly planning, paperwork, and reporting requirements, resulting in a significant reduction in bureaucracy and in significant savings.

It is the intent of the Committee through title I of the legislation, to establish a necessary balance between States and local communities for the design and operation of employment, training, and literacy systems. Governors are given a great deal more flexibility and authority to provide policy guidance and to design integrated and innovative statewide efforts. Through an amendment offered by Mr. Schaffer and accepted during full committee consideration of the bill, State legislatures are required to appropriate all funds received by the State under titles II and III of this Act. Localities are provided with the flexibility and authority to design and to operate local programs that meet the employment, training, and literacy needs of their individual communities, consistent with the statewide policies set by the Governor through the collaborative process.

STATE PLAN

Title I of the bill requires a State that desires to receive a grant under titles II or III of this Act, under the Adult Education and Family Literacy Act, or under the Wagner-Peyser Act, to submit a single State plan for all such programs, to the Secretaries of Education and Labor, for consideration by the appropriate Secretary. Such State plan must include: a description of the collaborative process used in developing the plan; a statement of the long-term goals of the State employment, training, and literacy system, including the identification of performance benchmarks that the State will use to measure its progress in meeting such goals; identification of the local workforce development areas in the State, including a description of the process that was used in the designation of such areas; a description of the criteria to be used by local chief elected officials in the appointment of local workforce development boards; a description of the measures that will be taken by the State to ensure coordination and avoid duplication among programs receiving assistance under this Act, including a description of how the State will leverage funds received under this Act; a description of the process used by the State to provide an opportunity for public comment and input into the development of the plan; and, descriptions of how the State will carry out its responsibilities with respect to programs authorized under title II or title III, under the Adult Education and Family Literacy Act, and under the Wagner-Peyser Act, including the inclusion of certain other key information as required under the bill. It is the intent of the Committee that in development of the State plan, the Governor and the individuals and entities involved in the collaborative process provide the public with an opportunity for review and comment on the plan, which may include the holding of public hearings, prior to submission of the plan to the Secretaries.

COLLABORATIVE PROCESS

As a State's highest ranking elected official, the Governor is central to workforce preparation efforts in every State. As such, the Committee provides Governors with the lead role in pulling together the overall employment, training, and literacy planning effort within each State and submission of the plan to the Secretaries. However, Members of the Committee recognize that Governors alone cannot and should not be solely responsible for development and operation of these programs if we are to effect meaningful reform in this area. While the Governor is ultimately responsible for those portions of the State plan that pertain to employment and training programs authorized under titles II and III of the bill, the State agency responsible for adult education and literacy has final authority over those portions of the State plan that deal with adult education and literacy programs, as well as the authority to administer such programs. Further, the Committee bill places great emphasis on the establishment and utilization of the collaborative process, for purposes of establishing the State plan, as well as for making most major State-level decisions affecting these programs.

While the Committee purposely did not include prescriptive requirements as to what the collaborative process must entail, or how it should work in every State, the Committee intends that such process be open, active, participatory, and significant. The Committee feels very strongly that representatives of the State legislature must be fully involved in this process, in order to ensure that employment, training, and literacy programs are an integral part of each State's workforce preparation effort. Members also strongly agree that business and industry must be integrally and actively involved with the Governor, the legislature, and key State agency heads in the design of the State-wide programs. It is imperative that business and industry participate in the State-level collaborative process to ensure their concerns are understood and addressed in development of these programs. Only through enhanced employer involvement will these programs reflect the changing demands and skill needs of the workplace. The Committee recognizes that employers' involvement alone will not guarantee successful workforce development programs. Therefore, it is imperative that representatives of employees, education, local officials, and other stakeholders be involved in the collaborative process as well. For these programs to work effectively, the Committee believes that the collaborative process should seek to have all the stakeholders at the table.

In recognition of the fact that many States have already established State-level collaborative mechanisms for the purpose of establishing employment, training, and other human resource programs, the Committee bill allows the utilization of such pre-existing processes, that substantially meet the collaborative process requirements of the bill. Specifically, States may utilize existing councils (including State Human Resource Investment Councils), for carrying out the collaborative process described under this section. In fact, the bill maintains the authority originally established under title VII of JTPA for State Human Resource Investment Councils. The major change to such authority is the relaxation of its previously prescriptive membership composition requirements. While Committee Members did not want to require that Governors establish State level councils or boards, the Committee recognizes the leadership that these bodies have provided in States where such councils exist, and therefore encourage their establishment to fulfill the collaboration requirements provided under H.R. 1385.

ESTABLISHMENT OF LOCAL WORKFORCE DEVELOPMENT AREAS

The bill requires that States desiring to receive a grant under this Act, designate local geographic areas, called workforce development areas for the purpose of distributing funds and the delivery of services in local employment and training programs. In the designation of such areas, the Governor must work through the collaborative process, consult with local chief elected officials, and consider comments received through the public participation process (described in the State plan). Such areas must be consistent with local labor market areas, and must be designated taking into consideration existing units of general local government, geographic areas served by local educational agencies and intermediate educational agencies, geographic areas served by postsecondary institutions and area vocational education schools, service delivery areas previously established under the Job Training Partnership Act, and the distance that individuals will need to travel to receive services.

ESTABLISHMENT OF LOCAL WORKFORCE DEVELOPMENT BOARDS

The bill requires Governors, through the collaborative process, to establish workforce development boards within each local workforce development area and to establish criteria for use by local chief elected officials in the selection of members of such boards.

During the development of this bill, the Committee decided to assign responsibility for the actual design and operation of local employment and training programs to the local level. Further, there was a decision made to fully involve employers in the design of such local programs. For this reason, local workforce development boards, with a majority representation of business and industry, are required in each workforce development area for the receipt of funding and design of local workforce development systems. The establishment of local boards is consistent with the testimony received by the Committee on job training reform, including testimony provided at the March 4th hearing by Ms. Susan Kelley, Vice President of Valencia Community College in Orlando, Florida. In her remarks, Ms. Kelley explained that "results that are meaningful to local business and industry should drive the system. While broad benchmark categories should be included in the federal legislation, the only people who can truly tell us what improvements are desirable and attainable, and which areas of concentration will produce the greatest good in terms of local economic development, are in our local business community. We all know that is true, and there is no excuse not to place the system in their hands. Local boards must be required, and they must have a minimum of 51 percent private sector membership."

By amending the Job Training Partnership Act, replacing existing Private Industry Councils (PICs) with local workforce development boards, there is no longer the assumption that private industry councils (PICs) as established under JTPA will continue to exist, and as such, there is no presumptive designation of PICs as workforce development boards. However, local areas may reconstitute existing private industry councils to serve as local workforce development boards in areas where the PIC is exceptionally strong. The Committee encourages Governors, the individuals involved in the collaborative process, and local chief elected officials to consider carefully such redesignation to determine whether or not existing private industry councils are capable of fulfilling the added responsibilities assigned to workforce development boards under this Act. The Committee urges Governors, local elected officials, and other decision makers, to ensure that changes are made where change needs to occur, in order to have the strongest employment and training programs possible.

Workforce development boards must at a minimum, consist of a majority of members who are representatives of business and industry, including individuals who are owners of businesses, chief executives or chief operating officers of private business, and other business executives with optimum policy making authority in local businesses. These business representatives must be selected from among a list of nominees submitted by local business organizations and trade associations.

In addition, the local board must include: representatives of education, including representatives of local educational agencies, school boards, postsecondary institutions (including community colleges), and representatives of adult education and literacy providers, selected from among individuals nominated by regional or local educational agencies, institutions, or organizations representing such individuals or entities. The bill also requires that the following groups be appointed to serve on the local boards: representatives of community-based organizations (including as appropriate, organizations with experience in serving individuals with disabilities); representatives of employees (which may include labor); and representatives of the public who may include program participants, parents, individuals with disabilities, older workers, veterans, or organizations serving such individuals. Such members of local boards shall also be selected from nominations of regional or local agencies, institutions, or organizations representing such individuals or entities in the local area. Finally, representatives of local welfare and economic development agencies are required to serve on local boards as well.

While the bill contains no further language regarding the types of individuals who must be represented from the above-listed categories, the Committee urges the selection of individuals with decision-making capability. For example, individuals representing local educational agencies are encouraged to be chosen from nominees including superintendents of schools or local school board members. Similarly, we recommend that individuals representing postsecondary institutions be chosen from nominees including college presidents and college board members or trustees. These boards will only be as successful as the collective abilities of their membership.

Governors are provided the authority to certify biennially local workforce development boards in order to ensure compliance with the State's selection criteria and overall policies set for such boards. However, local boards are authorized to elect their own chairperson from among their members, and to establish bylaws and other operating procedures as consistent with the purposes of the Act and with the State plan.

Recognizing that some States, particularly very small and sparsely populated States, will be composed of only one workforce development area, the bill allows that the individuals comprising the Governor's collaborative process may be reconstituted to serve the functions of a local workforce development board for those States.

Under the Committee bill, the role of the local workforce development board is significantly expanded over the role currently provided for private industry councils under JTPA. The local board is ultimately responsible for development of a local strategic workforce development plan and identification of occupations in demand and the training needs of the local workforce development area. The board is responsible for: the selection of service providers (for both the full service employment and training delivery system, and for disadvantaged youth programs); budget and program oversight over disadvantaged youth programs established under title II, adult employment and training programs established under title III, and the local full service employment and training delivery systems.

Local boards are authorized to receive and disburse funds made available for carrying out the above-listed programs or may designate an administrative entity for the purpose of disbursement of funds to full service providers and other service providers, as designated by the local board. The board may employ its own staff, independent of local programs and service providers. However, due to the expanded responsibilities of the workforce board, as well as to attract higher level business representatives, boards may not directly provide services authorized under this legislation, unless they receive a waiver from the Governor to do so. While the Committee bill includes the waiver authority, Members of the Committee strongly urge Governors to provide such waivers only on rare occasions, where necessary either to improve program performance, or in order to provide a full array of services, as may be particularly necessary in rural areas where a competitive selection process has produced no other qualified service providers with demonstrated expertise. In other words, the local boards should be the service providers of last resort. This is a significant change from current law.

Local boards, in combination with local chief elected officials are also assigned the responsibility of negotiating with the Governor on local benchmarks for the workforce development area and on the role of local boards in the selection of service providers in the full service employment and training delivery system.

ROLE OF LOCAL ELECTED OFFICIALS

Local elected officials continue to play a key role in the design and implementation of local employment and training systems for adults and for disadvantaged youth. Local officials appoint members of the local workforce development board under the bill. The local board is required to consult with the chief elected official in development of the local plan and the local official may approve the plan or reject it and make recommendations to the board on how to improve the plan. If after a reasonable effort the local board is unable to obtain approval of the local chief elected official, the plan may be submitted to the Governor, but only with the recommendations of the chief elected official. In addition, consistent with current law, local boards are required to provide opportunity for review and comment on the local plan to community-based organizations, local education and other social service agencies, local business organizations, representatives of employees, and the general public, prior to submission of the plan to the Governor.

Local officials are authorized to approve local budgets and have joint oversight authority with the local board over programs authorized under titles II and III of this Act. Local governments may also be designated by the board as the administrative entity for local workforce development systems, and may compete to provide services through the full service employment and training delivery system. Finally, as previously mentioned, local officials, along with local boards, negotiate with the Governor on local benchmarks against which the performance of the local workforce development area will be measured and on the role of the local board in designating providers for participation in the full service employment and training delivery system.

This legislation intentionally elevates the role of local boards in local employment and training delivery systems, illustrating the Committee's recognition of the importance of employer buy-in and involvement in the design of the local system. However, the Committee also recognizes the important role of local elected officials to an effective employment and training system and is committed to the continuance of such a vital role.

With the increased responsibility bestowed upon local workforce development boards, the Committee felt it very important to provide strong conflict of interest language in the bill. Therefore the bill provides that no member of a workforce development board may cast a vote or participate in the consideration of the provision of services that in any way provides financial benefit to such member, an organization that such member represents, or to an immediate family member of such member. In addition, a Governor may enforce more rigorous conflict of interest standards, as determined appropriate.

ESTABLISHMENT OF LOCAL FULL SERVICE EMPLOYMENT AND TRAINING DELIVERY SYSTEMS

In order to provide easy access to employment and training services, H.R. 1385 requires local workforce development areas to establish a full service employment and training delivery system that provides both individuals and employers access to services through a network of eligible providers—assuring participants that such services will be available regardless of where they initially enter the system. These provisions build on what many States and local communities are already doing.

The bill leaves the design of such full service systems up to the States and local communities, just asking that there be at least one physical location or center in each local workforce development area, where individuals can receive all of the core services described below, and through which they may access more intensive employment and training services. Full service sites may include community colleges, local employment service offices, local government agencies, private non-profit organizations, private for-profit providers, or other interested entities of demonstrated effectiveness.

Core services made available through the full service delivery system include: outreach, intake, and orientation for services; initial assessment of skill levels, abilities, and supportive service needs; job search and placement assistance, and, where appropriate career counseling; provision of information relating to job vacancies and occupations in demand; provision of information on the quality and availability of employment, training, literacy, and vocational rehabilitation programs, and referral to such programs; provision of information relating to Unemployment Insurance (U.I.), student financial aid, and other public training programs; soliciting and accepting job orders from employers; and, the availability of the list of eligible training providers and performance information regarding such providers. Full service systems may also provide customized screening and referrals for employers and customized employment-related services on a fee-for-service basis.

The Committee believes it is important that a workforce board have the flexibility to designate a variety of types of entities to serve as full service providers and that private sector entities be given the opportunity to participate fully. Therefore, there should be no presumptive deliverers of services through these systems.

IDENTIFICATION OF TRAINING PROVIDERS

H.R. 1385 establishes a process for identifying training providers who are qualified to provide training services under the Adult Employment and Training program authorized under title III of the bill. Because this legislation builds on the use of skill grants (vouchers) for the provision of training services, establishment of such an identification process is essential to identify qualified providers and to guard against "fly-by-night" providers that may take advantage of program participants.

Eligibility. The bill establishes two ways for training programs to become eligible to provide services under the title III program. First, training programs that lead to an associate, baccalaureate, professional, or graduate degree; that are at least two academic years in length and acceptable for academic credit toward a baccalaureate degree; or are at least one academic year in length, lead to a certificate, degree, or other recognized educational credential and prepare a participant for gainful employment in a recognized occupation; and that are offered by postsecondary institutions that are currently eligible under title IV of the Higher Education Act of 1965 are automatically eligible to provide training services under the adult employment and training programs. Second, all other providers may become eligible to provide training if determined eligible by a local workforce development board, through an alternative eligibility procedure developed by the Governor for use by all local boards in the State. As part of each State's alternative eligibility procedure, Governors must establish minimum acceptable levels of performance for training programs which must be taken into account by local boards when determining eligibility.

Performance Reporting. All participating training providers under the title III program must submit performance-based information on participating programs to a State agency designated by the Governor that is responsible for compiling and disseminating such information. This State agency is also responsible for compiling the list of eligible providers of training throughout the State. This information is then sent to local boards, who in turn provide such information, through the full service employment and training delivery system to individuals in need of training assistance. This information gathering and dissemination process is essential so individuals are empowered to make informed choices in their selection of occupations and training providers.

Performance information that is required for submission includes: program completion rates for individuals in the applicable programs conducted by the provider; the percentage of individuals in the applicable programs who obtain employment, which may also specify the percentage of individuals who obtain employment in an occupation related to the program conducted; and, the earnings at placement of individuals who complete the program.

The Governor may also require that providers submit additional performance information, which may include information relating to: the retention in employment and the subsequent earnings of the individuals who complete the applicable program; where appropriate, the rates of licensure or certification of individuals who complete the program; the percentage of individuals who complete the program who attain industry-recognized occupational skills in the subject, occupation, or industry for which training is provided, where applicable; and the adequacy of space, staff, equipment, instructional materials, and student support services offered by the provider through a program conducted by the provider. However, if the additional information requested by the Governor imposes extraordinary costs on providers, the Governor must provide access to cost-effective methods for the collection of such information or provide additional resources to assist providers in the collection of such information from funds made available under the adult employment and training program.

Transition. For program years 1999 and 2000, the performance-based information that is required of training providers need only to pertain to participants who are actually served through the title III adult employment and training programs.

Enforcement Authority. In addition to other enforcement authority, the State is vested with authority to terminate the eligibility of training providers for consistent and substantial failure to meet performance criteria established by the State. The State is also authorized to terminate such eligibility if the State agency or a local board determines that an eligible provider substantially violates any requirement under this Act. The bill includes an appeal process for training providers that are either denied eligibility or whose eligibility is terminated.

Exceptions. Providers of on-the-job training and registered apprenticeship programs are not subject to the eligibility requirements under this section, but on-the-job training providers must provide performance information if required by the Governor.

The bill recognizes the importance of including the private sector as providers of training services under local employment and training programs. Since 1980, private professional firms have developed extensive programs to serve the growing training needs of our rapidly changing economy and workforce. Research indicates that the training market in the information technology training industry alone totaled $2 billion in 1994, most of this provided by commercial firms. This section of H.R. 1385 enables a wide variety of training and education providers to participate in adult job training programs. This expanded provider involvement allows participants to access training that will best enable them to enter or re-enter the workforce.

PERFORMANCE ACCOUNTABILITY

Throughout all of the hearings held on reform of our U.S. employment, training, and literacy programs over the past several years, witnesses have expressed the need for strong accountability provisions in any new legislative measure. In his testimony before the Committee at the February 11 hearing, Governor John Engler of Michigan stated that one of the main problems with the current federal job training system is that "there is virtually no accountability for results." The Governor went on to say while current law contains language setting performance standards and possible sanctions for failure to meet them, "the sanctions are simply too hard to get to, the performance standards are too weak" and "they are too easy to meet." In fact, at that February 11 hearing, nearly every witness from both the State and local levels, argued in favor of strong performance accountability provisions that measure the return on investment in employment and training programs.

Subsequently, Members of the Committee determined that this legislation should require States to establish their own challenging performance goals and benchmarks, recognizing the special characteristics and needs of their individual States. Similarly, we ask States to work with local boards and locally elected officials in each workforce development area to develop local benchmarks, against which the performance of local employment and training programs can be measured. Performance benchmarks set by the State must measure the continuous progress of the State toward meeting its long-term goals for employment, training, and literacy programs.

Specifically, each State would establish indicators of performance, or benchmarks, for measuring the progress of the State in meeting its long-term goals for each of the three block grants authorized under this Act, which include measures of the specific "core indicators" of performance described in the legislation. In order to have comparability in measuring performance across States, common definitions for such indicators, as well as model levels of performance, would be developed through a national collaborative process involving States, business leaders, representatives of employees, education and training leaders, literacy experts, and others with an interest in these programs.

Because Members of the Committee want to ensure an adequate return on the federal investment in employment, training, and literacy programs, the Secretary of Labor (for employment and training programs) and the Secretary of Education (for adult education and literacy programs) are authorized to negotiate with each State, the levels of performance expected to be achieved by the State based upon the benchmarks identified in their State plan, for the core indicators of performance described under the bill.

While we expect the Secretaries and the States to reach agreement on these adjusted State benchmarks, and that the States will adopt challenging goals and benchmarks that will result in high returns on the investment in these programs, this negotiation process does not empower the federal government to impose a unilateral, one-size-fits-all set of national standards upon States and localities. These benchmarks are intended to be developed through a "bottom-up" process and should take into account each State's individual circumstances and priorities. This bottom-up and participatory performance measurement process contrasts to current law, where since 1982 national standards have been established by the Secretary of Labor for federal JTPA programs.

Core Indicators for Adult Employment and Training Programs. Indicators identified in the bill that all States must use in measuring their performance under the adult employment and training programs include: placement of program participants in unsubsidized employment; retention in employment (at six months, and at one year after placement); increases in earnings or in earnings in combination with employer-assisted benefits; attainment of industry-recognized occupational skills; reduction in welfare dependency; attainment of a high school diploma or a general equivalency diploma; and, other such measures as States determine appropriate.

Core Indicators for Adult Education and Literacy. Indicators identified in the bill that all States must use in measuring their performance under the adult education and literacy programs include: achievement in the areas of reading, writing, English language acquisition, problem solving, numeracy and other literacy skills (for which there would be no model levels of performance, definitions, or negotiations with the Secretary); receipt of a high school diploma or a general equivalency diploma; entry into a postsecondary school, job retraining program, employment, or career advancement; attainment of the literacy skills and knowledge individuals need to be productive and responsible citizens and to become more actively involved in the education of their children; and, such other measures as States determine appropriate.

Core Indicators for Economically Disadvantaged Youth. Indicators identified in the bill that all States must use in measuring their performance under the disadvantaged youth employment and training program include: attainment of secondary school diplomas or general equivalency diplomas; attainment of industry-recognized work readiness and occupational skills; placement in, retention in, and completion of postsecondary education or advanced training; placement and retention in military service, employment, or qualified apprenticeships; attainment of challenging State academic proficiencies (for which there would be no model levels of performance, definitions, or negotiation with the Secretary); and, such other measures as States determine appropriate.

Population Indicators. To encourage services for the hardest to serve populations under programs authorized under this Act, the legislation asks that the success of certain hard-to-serve populations be measured for each of the performance indicators described above. For example, the success of economically disadvantaged individuals (including welfare recipients), older workers, and displaced homemakers would be measured under the Adult Training block grant; the success of individuals with limited literacy levels and economically disadvantaged individuals would be measured under the Adult Education and Literacy block grant; and, the success of hard to serve disadvantaged youth, including school dropouts or individuals with low educational attainment, would be measured under the Disadvantaged Youth block grant.

To provide incentives for high performance, both Secretaries would be authorized to provide grants to States that exceed expected levels of performance, demonstrate continuing progress in program performance, or demonstrate continuing progress in coordination and integration of programs as well as demonstrating high performance in such programs. Similarly, Governors would be authorized to provide incentive grants to local areas that reach or exceed their local benchmarks.

The Secretaries would also be authorized to sanction a State (by not more than five percent of their allotment for the given program) for failure to meet its expected levels of performance for two consecutive program years. Specifically the bill authorizes the Secretaries to provide technical assistance, upon request, to States failing to meet their expected benchmarks, and after two years, if failure continues, the Secretary may impose the five percent sanction. Similarly, Governors would be authorized to sanction local areas for failure, for two or more consecutive years, to meet local benchmarks (established pursuant to the negotiation carried out between a Governor, a local board, and the local chief elected official). Governors are also authorized to provide technical assistance to local areas. Finally, each State is required to annually submit to the Secretaries a report on its level of performance for the prior year.

FISCAL AND GENERAL PROGRAM REQUIREMENTS

For programs authorized under titles II, III, and IV, the legislation includes significant changes with respect to general program requirements under JTPA. A number of provisions under this part of JTPA have been eliminated in order to provide States and localities with additional flexibility to more administer effectively programs. However, prohibitions on the uses of funds to encourage or induce relocation of businesses are retained as are prohibitions on the uses of funds for customized or skill training and related activities after relocation that results in job loss at the original site if it is within the United States.

It should be noted, that although current "conflict of interest" provisions are deleted under this part, the Committee has replaced these provisions with stronger requirements under title I of the new Act.

This legislation also includes modifications to current provisions under JTPA with respect to labor standards applicable to the job training programs authorized by the legislation. These provisions represent a consolidation and streamlining of the standards that are in current law and are largely directed at two goals. First, they ensure that currently employed workers are not displaced in any way by participants in the training programs funded under the bill. Second, they ensure that the training programs funded under the bill are operated under safe and healthy conditions and that individuals in on the job training or otherwise employed under the bill are treated the same as similarly situated trainees or employees with respect to wages and working conditions. In addition, the legislation also requires States to establish a grievance procedure for hearing complaints that the requirements of the bill have not been met. The States are given discretion to establish a grievance process they deem appropriate with a limited remedial scheme specified in the bill. The Secretary of Labor is given a limited review over the grievance process in the case of an appeal by either party, or if no decision is reached through the grievance process within 60 days.

The legislation maintains many of the necessary fiscal controls which currently exist under JTPA. However, several modifications have been made in order to reduce overly prescriptive requirements while ensuring that programs adhere to minimum fiscal accountability standards. Specific changes include: a less burdensome process under which Governors are required to prescribe and implement procurement standards to ensure fiscal accountability, a streamlined and timely process for Governors to take action upon local workforce development boards for not complying with fiscal accountability standards, and additional flexibility with respect to the terms of repayment of certain mis-expended funds (not to include mis-expenditures resulting from fraud, gross negligence, or other such forms of abuse). The legislation maintains certain reporting requirements under existing law. The bill also clarifies that services, facilities, and equipment funded under title II and title III programs, may be used on a fee for service basis, by employers in a local area to provide employment and training services to incumbent workers as long as such use does not have an adverse affect on the provision of services to eligible program participants under those titles, and the income derived from such fees is used to carry out programs authorized under title II or title III, as appropriate.

The legislation also includes modifications to current provisions under JTPA dealing with administrative adjudication and administrative provisions. With respect to administrative provisions, the Committee recognizes the need for the Secretary to issue regulations in order to oversee properly and to ensure a smooth transition of this legislation. However it is the Committee's intent that such regulations be limited only to the extent necessary to administer and ensure compliance with the specific requirements of this Act. One area in particular in which the Committee recognizes the need for the Secretary to develop regulations is with respect to the definition of "administrative costs" for programs authorized under titles II, III, and IV of this Act, which shall reflect generally accepted accounting principles.

The language of JTPA section 167 has been amended as part of a streamlining effort. Section 167 (a)(5), relating to the participation in JTPA of individuals authorized to work in the United States, is no longer necessary in light of similar requirements providing these protections in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Language authorizing the Attorney General to bring a pattern or practice case under Section 167 on his or her own initiative has been eliminated as unnecessary. The amendment does not modify the enforcement authority of the Department of Labor.

TITLE II—DISADVANTAGED YOUTH EMPLOYMENT AND TRAINING OPPORTUNITIES GRANTS

Title II of the bill consolidates and amends several programs established under the Job Training Partnership Act for disadvantaged youth, including the Summer Youth Employment Program (title II-B) and the "year-round" Youth Training Program (title II-C), into a single block grant to States and to local communities. While the bill strikes the title II-B summer employment provisions of JTPA, we did not intend to end summer youth employment activities as an allowable use of funds by local communities. It is our intent to combine the best parts of the summer and the year-round programs into a single, comprehensive block grant for disadvantaged youth employment and training. Therefore the Committee wishes to clarify that the "such sums" authorization level established for the title II program, assumes the combination of these two programs as well as funding for these two programs.

The main thrust of reform under this block grant is to increase the focus of these programs on longer-term academic and occupational learning opportunities for disadvantaged youth, rather than short-term, stand-alone employment fixes which have not proven to work for hard-to-serve, disadvantaged youth.

Under the bill, communities may continue to carry out programs such as summer youth employment, if linked to more comprehensive additional learning opportunities. The block grant attempts to improve academic and occupational opportunities for disadvantaged youth in the community, as well as result in the completion of high school, or its equivalent, and other positive results such as placement and retention in employment or continuation into postsecondary education or training.

Building on existing provisions within JTPA, the legislation outlines essential program elements for disadvantaged youth programs including: development of assessments and service strategies for participants; integration of academic, occupational, and work-based learning; provision of comprehensive guidance and counseling; provision of postsecondary education and training opportunities, where appropriate; involvement of employers and parents in the design and implementation of programs; and, provision of adult mentoring.

Experience and research over the years have found that one of the most effective program elements in determining the success of hard-to-serve disadvantaged youth, is a positive relationship with a caring, responsible adult. For this reason, this legislation includes as a required program element, adult mentoring. In addition, the bill removes the current one year limitation on follow-up and counseling services for program participants, recognizing the need for longer-term service delivery.

In addition to the required program elements, authorized uses of funds include: direct training services; tutoring and study skills training; instruction leading to completion of high school or the equivalent; alternative high school services, paid and unpaid work experience, including summer employment opportunities, which are directly linked to academic, occupational, and work-based learning; mentoring; training-related supportive services; peer-centered activities encouraging responsibility and other positive social behaviors, during non-school hours; and other training and transition services that assist disadvantaged youth make the transition to employment.

Important provisions in current law were retained, such as requiring that linkages with local educational agencies, local welfare agencies, and numerous other programs serving disadvantaged youth within the community be established and maintained, in order to avoid duplication of programs and to enhance service delivery. Members of the Committee recognize that many communities are working to pull fragmented funding sources together to establish comprehensive youth development strategies at the local level. To that end, this Committee encourages that funds from programs authorized under this title be used to leverage other resources in the community so that young people, especially those in high poverty areas, may take advantage of a comprehensive range of services.

Consistent with current law under JTPA, the amended disadvantaged youth program would serve only economically disadvantaged youth age 16–21. As under current law, ten percent of funds may however be spent on youth who are not economically disadvantaged, but are determined to have substantial barriers to employment and are identified as hard-to-serve. Provisions in JTPA allowing local areas to serve youth beginning at age 14 if described in the local plan (which is subject to the Governor's approval), were retained. The bill also allows a similar expansion of the age of eligibility to age 24 at local community discretion.

Under the legislation, priority is given to disadvantaged youth who are school dropouts and to other hard to serve disadvantaged youth who are: basic skills deficient; one or more grade levels below the grade level appropriate to the age of the individual; pregnant or parenting; individuals with disabilities, homeless or run-away; offenders; or are other disadvantaged youth who face serious barriers to employment as identified by the local workforce development area. Members of the Committee determined that such prioritization, as opposed to the imposition of percentage requirements was a more appropriate way of ensuring that school dropouts and others with multiple barriers to employment are served.

The Committee intends that a significant proportion of youth served under this program will be school dropouts. However, it is also the clear intent of the Members of this Committee that youth be encouraged to stay in school and, at a minimum, receive a high school diploma. For those who have already dropped out, the Committee intends that programs funded under this title encourage their return to school or to an alternative school setting for receipt of a high school diploma or its equivalent, as well as skills training and related work experience. To provide further incentives for serving school dropouts, during Committee consideration of H.R. 1385, an amendment offered by Mr. Payne was accepted that requires Governors to spend ten percent of their State's total allotment on incentive grants to local communities, with a 50 percent matching requirement, for programs serving out-of-school youth.

Another change from current law requires that from funds distributed to local workforce development areas under this title, local workforce development boards must award grants, on a competitive basis, to disadvantaged youth providers in the local area. As described in the local plan, local boards are expected to fully involve representatives of the local community, including community-based organizations with experience in serving disadvantaged youth, the local education community, parents, youth, local law enforcement agencies, and representatives of business and employees in the development and implementation of these programs, and in determining that the most effective and efficient providers of services are chosen to carry out disadvantaged youth programs and activities. The Committee encourages local boards to award grants to providers of demonstrated effectiveness, or to providers who will utilize methodologies that have proven effective in serving hard-to-serve disadvantaged youth.

Finally, the Committee-reported bill maintains the existing title II–C funding formula for sending title II funds to the States. The bill allows States, through the collaborative process, to establish within-State allocation formulas for the distribution of funds to local workforce development areas. Such formulas must distribute funds equitably throughout the State, must ensure against significant funding shifts from year to year for local workforce development areas, and must not weigh factors disproportionately. Members of the Committee again want to stress their strong intent that State formulas distribute funds equitably to rural, as well as to urban and suburban areas.

TITLE III—ADULT EMPLOYMENT AND TRAINING CONSOLIDATION GRANTS

Title III of the bill would amend the current adult employment and training programs authorized under JTPA by establishing a single delivery system for all adults, that maximizes individual choice in the selection of occupations and training providers. The bill encourages an "employment first" approach to job training—providing training services to individuals who are unable to obtain initial employment, or employment that will lead to self-sufficiency, through core services and intensive job search assistance. With limited exceptions, training services for adults would be provided through the use of vouchers (referred to as skill grants in the bill), distributed through an easily accessible local full service employment and training delivery system. Members of the Committee feel that this legislation will significantly improve services for dislocated workers, for welfare recipients who must make the transition from welfare to work, and for other adults in need of such assistance.

While a single employment and training system is established through this block grant for all adults, funding for dislocated workers remains protected. Specifically, funds are authorized separately for adult employment and training activities, and for dislocated worker employment and training activities. The Federal-to-State formulas for allotment of funds to States would be based on the current title II–A (Disadvantaged Adults) formula and title III (Dislocated Workers) formula, protecting against major funding shifts among States. In addition, funds would be separately allocated to local workforce development areas, based upon State-determined formulas for both the adult and dislocated worker funding streams. The bulk of funding under the adult and dislocated worker funding streams would be sent to local workforce development areas (85 percent of each State's funds for adults, and 70 percent of each State's funds for dislocated workers). These funds would proportionately contribute to the establishment of local full service employment and training delivery systems, and for the provision of core or "up-front" services, intensive services, and training services for adults and for dislocated workers respectively.

It is the Committee's intent that Governors will use a majority of the funds reserved by States from the dislocated worker funding stream, to provide rapid response activities, and additional funding to local areas that experience major worker dislocation. The Committee feels that this is a very important role for States—recognizing that major dislocations, natural disasters, and other unanticipated events which result in large-scale unemployment require the substantial infusion of additional funds and assistance that cannot be covered or anticipated through locally-driven formula funds.

Of amounts reserved by the State from the adult employment and training funding allotment, and from up to 10 percent of funds reserved under the dislocated worker allotment, States have the ability to carry out other discretionary activities to ensure high quality and effective statewide employment and training efforts. These activities may include: staff development and technical assistance; incentive grants and performance awards, also available at the Governor's discretion to further leverage local program integration; funding of model programs, including innovative programs designed to meet the training and skills needs of incumbent workers; additional assistance for the development of the full service system; and innovative programs for displaced homemakers and programs encouraging training in nontraditional employment.

At the local level, local workforce development areas, under the guidance of local boards, are expected to use funds from the adult and dislocated worker funding streams to contribute proportionately to the local delivery system. Local communities must use funds to pay for the core or "up-front" services, through the full service system, and for intensive and training services for program participants. Funds for dislocated workers would be used to provide core, intensive, and training services to dislocated workers exclusively. Core services funded from the adult funding stream would be available on a universal basis with no eligibility requirements. However, local areas are to give priority in the provision of intensive and training services to welfare recipients and to other economically disadvantaged individuals with multiple barriers to employment with funds provided under the adult funding stream. Local workforce development areas are allowed however, to transfer up to 20 percent of the funds from amounts allocated to the local area for adults and for dislocated workers, between such allocations, if such transfer is approved by the Governor. This transfer authority is consistent with current appropriations authority, and it important to allow localities to meet the economic and training needs of their individual communities.

All training services under this title must be provided through service delivery methods that maximize consumer choice in the selection of eligible providers of training services. The Committee intends that most training authorized under this title will be provided through the use of skill grants distributed through the full-service employment and training delivery system. Exceptions to this requirement include: on-the-job training, when there is an insufficient number of qualified providers of training services in a local area, when there is an insufficient number of qualified providers of services for special participant populations in the local area, or when the local board decides to enter into a direct training contract with a community based organization. However in each of these cases, individual choice should continue to be provided to individuals in the selection of training providers, to the maximum extent possible.

During the March 4 hearing, Mr. Jan Vogel, Executive Director of the South Bay Private Industry Council in Inglewood, California testified about the positive results that the use of vouchers has brought as part of the Aerospace Network program in southern California. "Prior to the Aerospace Network, training agencies entered into contracts with all 17 PICs in Southern California. Each of these contracts having different tuition prices, different payment points, different performance standards, and unfortunately different quality standards. The creation of a central point has finally standardized all aspects of our training provider system. We have developed a regional training vendor directory. This directory has been certified by the State of California. The directory is saving hundreds of thousands of dollars in tuition costs (as many agencies were previously overpaying for services) and has finally brought a "quality" standard to training which has been desperately needed in southern California." Mr. Vogel went on to say "We strongly believe that this vouchering process will be critical to the success of welfare reform projects in our area."

The Committee strongly supports the use of skill grants under the adult training system. However, Members recognize that the success of the use of skill grants is contingent upon several important supporting elements, and that States and localities will need time to establish such supports. Specifically, States, in conjunction with local workforce development boards, must establish effective procedures for the identification of qualified providers of education and training that provide program participants with broad options, but at the same time guard against "fly-by-night" providers. Further, skill grants will only be successful if eligible individuals have a full range of accurate information on the quality of providers, including information on program costs, program completion rates, placement rates, and wages at placement. Where possible, information on the rates of licensure, receipt of employer recognized skills, information on job retention, and on customer satisfaction should also be provided to consumers. Any requirements for such additional information however must be accompanied with assistance to providers in accessing cost-effective methods of gathering such information, or with resources to defray the extraordinary costs of such information gathering.

This legislation allows for the provision of supportive services, such as transportation and child care assistance, to enable individuals to participate in core, intensive, and training services. The Committee recognizes that the provision of supportive services is essential in many cases to allow participants to fully participate in programs, and to move into employment. Members are concerned however, that funds from this program not be used to supplant existing resources that are specifically designed to provide such supportive services. Therefore, funds are allowed for supportive services under this program, but only for those individuals who are unable to receive such services through other programs specifically designed to provide supportive services. Assessment of each individual's need for supportive services should, however, be part of any comprehensive service strategy, and programs authorized under this title should at the very least assist individuals in accessing such services.

NATIONAL EMERGENCY GRANTS

While this Committee strongly supports moving funds to the State and local levels, Members recognize that there are certain functions which due to their nature, are most efficiently done at the Federal level. One example are programs assisted under Part B of title III. Under this bill, 20 percent of funds appropriated for dislocated workers under this title may be reserved by the Secretary of Labor to provide assistance to those areas suffering major economic and worker dislocations. Events such as military base closings, mass layoffs, plant closures, and major disasters, are prone to happen in any given State and at any given time, and cannot be planned for, making it sensible that the Secretary of Labor be allowed to provide direct emergency assistance to such areas.

TITLE IV—NATIONAL ACTIVITIES

NATIVE AMERICANS

The Committee has provided for a continuation of services to Indians, Alaska Natives and Native Hawaiians. Section 401 addresses the unique relationship between these populations and the Federal government. Services are to be implemented in a manner consistent with overall Federal policy toward these groups.

The committee is aware that these groups experience the highest unemployment rates of all other populations in the American work force. This is due, in large part, to a lack of educational and employment and training opportunities. As a result, the ability of Native Americans to locate and retain employment and to successfully compete in the work force is seriously impaired.

This section authorizes a wide range of services and support for a variety of types of Native American service providers. In general, the Committee intends that available funds be distributed in such a way that the various constituencies served by these programs continue to receive services proportional to those received in the past.

In order to ensure that these services are effective in addressing special Native American needs, the organizational unit in the Labor Department with responsibility for this section should have particular competence in the administration of programs for this service population and be staffed accordingly.

The Committee points out that Indian, Alaska Native and Native Hawaiian service providers are also eligible, consistent with other provisions in the bill, to receive funds under the various block grants administered by the States.

MIGRANTS AND SEASONAL FARMWORKERS

The Congress recognizes that this program will be the main source of Federal assistance in meeting migrant and seasonal farmworkers' and their dependents' employment, training, education, and other supportive service needs. These investments assist farmworkers to obtain or retain stable employment, both within and outside of agriculture, to provide development and other educational assistance to enhance their employability, and to provide emergency assistance and other supportive services that will stabilize and improve their agricultural employment situation. In addition, the Committee recognizes that eligible activities under this part include single purpose grants for training and technical assistance for housing and related facilities for migrant and seasonal farmworkers.

The Committee is aware of the quality, innovation, and cost-effectiveness of services and assistance provided to farmworker grantees by the Association of Farmworker Opportunity Programs (AFOP) and encourages the Department to continue their activities, including technical assistance and training, development and implementation of a farmworker database and other information technologies and developments that can further improve the capabilities of grantees funded under this part. The Secretary must consult with farmworker organizations, such as AFOP and grantees prior to the promulgation of policies, rules, regulations, and performance standards or measures relating to migrant and seasonal farmworkers and farmworker programs.

Due to the changing nature of agricultural employment both within and outside of the United States that affects the U.S. domestic farmworker population, Congress urges the Department to be responsive to these changes and periodically review and make necessary adjustments to ensure a quality program for migrant and seasonal farmworkers.

LABOR MARKET INFORMATION (LMI)

In general, this legislation retains the current labor market information provisions under JTPA. However, provisions requiring the Secretary to prepare and submit a report on the development of a nationwide database containing information with respect to quarterly earnings reports, have been repealed.

TITLE V—ADULT EDUCATION AND FAMILY LITERACY ACT

Ensuring Program Flexibility to Meet the Diverse Needs of Participants

The 1992 National Adult Literacy Survey, which measured the ability of individuals to read and understand words, to use documents effectively, and to perform tasks such as balancing a checkbook and totaling purchases, found that 20 percent of adults had minimal basic skills. In fact, of the five levels of literacy used in the survey, almost 50 percent of participants were found to be in the bottom two levels of literacy. Forty-three percent of those in the lowest literacy level live in poverty, 17 percent were receiving food stamps and 70 percent were unemployed or under-employed. More than two-thirds of unwed parents, adults in poverty, school dropouts and arrestees have below average literacy levels.

In developing the Employment, Training and Literacy Enhancement Act, the Committee took these needs into consideration. The Committee also recognized that the adult education and literacy delivery system is unlike the elementary, secondary, and postsecondary education systems in many important respects. This is a unique system characterized by a diverse group of providers, diverse students, and limited resources as demonstrated in the following examples.

For the most part, those served in adult education are young adults. 58% are between the ages of 16–31. Many of these young people have dropped out of school and are trying to get back on the road to self sufficiency and opportunity. A subgroup of this population is clearly the young mother on AFDC who, under the various welfare reform proposals, will be required to find a job relatively quickly.

Almost half the participants in this part of the American educational system are working. In other words, this is not a field that serves only the very poor and those unattached to the workforce. Many students are blue collar workers or dislocated workers who understand that to get ahead and provide for a family in 1995, it takes an education and the requisite skills.

Not everyone participates in these programs solely to improve their employment prospects. Many are looking to become citizens, to help their children succeed in school, and to fulfill a variety of other personal, economic, and social goals. Most of these goals have serious implications for our national well-being.

Providers of services in this system are many and varied. They include local education agencies, community colleges, community-based organizations, libraries, churches, and private businesses. The diversity of providers is both a strength and a challenge to building a high quality system. Service are located in the communities where they are most needed and easily accessible. But different programs often are not coordinated and lack shared information and resources to improve the quality of their services.

The staffing of adult education and literacy programs is significantly different from that of elementary, secondary, and postsecondary education. The vast majority of adult education staff are part time professionals, working in isolation from the rest of the educational system, with little training and virtually no benefits. Only 25 percent of the teaching force is full time. Almost 75 percent of all programs have volunteers, most serving as tutors.

Based on the diverse needs of adult students and the unique characteristics of the service delivery system, the Committee felt that the Adult Education and Family Literacy Act should provide the eligible agency within the state with the maximum flexibility to meet the needs of its constituency. The existing Adult Education law contained a number of set asides and caps. For example, current law sets forth the following caps and set-asides: (a) not less than 10 percent of funds received by States are to be used for corrections education and education for other institutionalized individuals; (b) not more than 20 percent of their allotment is to be used for high school equivalency programs, and (c) not less than 15 percent of funds they receive are to be used for experimental demonstrations and teacher training projects. H.R. 1385 eliminates these caps and set asides in the belief that the needs of those currently served through the set-asides and reserves can be better met with a highly flexible, consolidated State grant.

Section 313 of this legislation provides that States may retain 15 percent of their allotment for administrative expenses and State level activities related to adult education and literacy including technology assistance, professional development, State literacy resource centers, and support services such as transportation and child care for individuals who otherwise would be unable to participate in programs under this Act. Eligible agencies can use no more than 5 percentage points for State administration. Agencies which use less than five percentage points for administration can use remaining funds for other State level activities related to literacy.

Eligible providers at the local level can use funds for adult education and literacy services, including services provided on the work site; family literacy services; and English literacy programs. They may retain 5 percent of their grant for administrative purposes.

FOCUSING OUR EFFORTS TO CREATE A LITERATE SOCIETY

According to a 1992 report entitled "Study of Federal Funding Sources and Services for Adult Education," 84 programs in 11 agencies were identified as supporting adult education services between 1986 and 1988. Twenty-seven of these programs were categorized as primary programs in which adult education was explicitly stated as a priority objective in each program's authorizing legislation. Of these 27 programs, the dominant focus was basic skills and literacy.

In addition, the Adult Education Act and the National Literacy Act authorizes a variety of small literacy programs which provide services which can be provided through basic adult education programs operated in each State. The Committee believes that the populations served by these small programs can be more effectively served under the Adult Education Act, which is more far-reaching than smaller programs and has the ability to provide a wider range of services to a greater number of participants.

The Committee has, therefore, consolidated the adult education and literacy programs under its jurisdiction into a single block grant to the states. The block grant will be focused upon adult basic education programs, adult secondary education programs, programs providing English literacy instruction and family literacy programs. The consolidation increases the flexibility of States and local providers, to design and fund programs which best meet the needs of participants.

ELIGIBLE ENTITIES AND DIRECT AND EQUITABLE ACCESS

Section 313 outlines the entities eligible to receive funds under this Act and ensures that such entities will have direct and equitable access to funds available under this Act. Eligible local service providers include: local educational agencies, correctional agencies, community-based organizations of demonstrated effectiveness, volunteer literacy organizations, libraries, public or private nonprofit agencies, postsecondary educational institutions, public housing authorities, and other nonprofit institutions that have the ability to provide literacy services to adults and families. A consortia of such agencies, organizations, or institutions may also apply for funds under this Act.

Consistent with current law, eligible agencies are to provide direct and equitably access to all federal funds provided under this Act to such providers. The Committee is concerned that not all States are complying with the intent of the direct and equitable access provisions contained in current law, which ensure the funding of a variety of providers of adult education services. The Committee would like to stress that we believe it is very important for States to comply with this provision in order to assure that all communities are able to participate under this Act. As such, we have included a definition of "direct and equitable access" and have requested that each State, in its State plan, describe how it is complying with this requirement.

FAMILY LITERACY

Family literacy programs have proven effective in reaching some of the most difficult to serve populations, including individuals with low literacy skills and those receiving welfare payments. In describing family literacy, Sharon Darling, Executive Director, National Center for Family Literacy, in her testimony before the Committee stated,

> Family literacy is an approach to addressing the literacy needs of the nation by simultaneously addressing the educational needs of at least two generations. Family literacy is the integration of the best practices of adult education, early childhood, and parent education—designed to restore the family as the focus in education.

Unfortunately, many children have parents who are under-educated, have low literacy skills and lack the self-esteem necessary to be their child's first teacher. As a result, these children lack a strong literacy experience, lack reading readiness, and enter school behind their peers. By working with the entire family, family literacy programs not only assist parents in building their literacy and education skills, but they also provide educational assistance to their children to ensure that they do not experience educational failure. Family literacy programs have demonstrated their effectiveness in bringing about change in the home. Parents begin to read to their children and support their child's education. Over the long term, children whose parents participate in the program are less likely to need special education or to be held back in school. Participation in family literacy programs not only helps adults become self-sufficient, it empowers parents and provides them with the skills they need to work with schools to ensure their child receives the best possible education.

Sharon Darling cited the results of a recent follow-up study of 200 representative families in four states, performed one to six years after attending a family literacy program and found that:

> 51 percent of the adults had received a high school equivalency certificate;
>
> 43 percent were employed, compared to 14 percent before enrolling;
>
> 13 percent have enrolled in higher education or training programs and another 11 percent are continuing in adult education programs working toward GED certification;
>
> Dependence on public assistance was reduced by 50 percent; and,
>
> The present primary teachers rate almost 80 percent of former family literacy children at or above the class average on such factors as attendance, classroom behavior, relations with other children, motivation to learn, family support for education, and probability of success in school.

For these reasons, we have added family literacy as one of the uses of funds for which these block grant dollars may be used under Section 314.

STRONG LINKS TO JOB TRAINING

One of the primary changes in this legislation is the new connection between job training and adult education systems. Too many individuals seeking job training find themselves unable to benefit from programs because they do not have the literacy skills necessary to benefit from training programs.

Increased employability is a priority outcome for adult basic education services—for both the individuals who need to strengthen their educational skills and for the communities in which they live and work. Testimony provided to the Committee by Mr. L. E. Bunch, Assistant Director, UAW-GM Center for Human Resources, which recognized the need to offer skill upgrading classes to employees and their spouses, pointed out the benefits of their adult education program:

> As UAW-represented employees of General Motors, they have used these programs as building blocks to move on to more advanced job-related training. They now can successfully undertake team building activities, perform statistical process control functions, and engage in sophisticated problem-solving techniques. They can, as a result of

their increasing skills, achieve the degree of performance necessary to function in the new high performance workplace.

The ability of communities to attract and maintain high performance, high wage businesses and industries and the ability of individuals to obtain and retain good jobs at these workplaces have a common denominator: a strong educational foundation upon which responsive, flexible and high quality products and services can be built.

The Employment, Training and Literacy Enhancement Act eliminates current barriers to strong partnerships between education and job training programs and involves the education community in the development of a State's job training system. This acknowledgment will address some of the current problems facing individuals with low literacy skills who are seeking training and employment. It is the view of the Committee that the current adult education system be strengthened in order to meet the job training demands under this legislation, as well as under welfare reform.

MAINTENANCE OF EFFORT

The Adult Education Act contains one of the most restrictive maintenance of effort provisions in federal education programs, totally eliminating funds for states when the fiscal effort per student or the amount available for expenditure by such state for adult education is reduced by as little as $1. While the law contains a 25 percent match requirement, the percentage share of total expenditures of many States far exceed this amount. For example, Michigan and California match by more than 90 percent and Arkansas, Connecticut, Florida, Indiana, Maine, Minnesota and Oregon match by more than 80 percent. While these states are to be commended for their extraordinary effort, the Committee is concerned their past effort could restrict their ability to move funds to fill other important needs should such a situation arise in the future. While we believe adult education programs to be a vital component of any state's education system, we do realize that emergency situations arise and states may be forced to divert funding from the system at one time or another. As such, the Committee has revised the current maintenance of effort provisions to: 1) allow states to reduce their effort comparable to any reduction in federal dollars; 2) reduce federal contributions by the same percentage reduction in state contributions rather than totally eliminate the availability of federal dollars for such state. In addition, current law has been modified to limit reductions in federal funds to those instances where a state reduces its effort by more than 10 percent. The Committee believes these changes will introduce an element of fairness into the maintenance of effort provisions. While the Committee would encourage states to continue their level of support for adult education programs, it does not want to penalize program participants by eliminating all federal funds in instances where this is not possible.

USING ADULT EDUCATION FUNDS FOR OTHER PURPOSES

While the Employment, Training and Literacy Enhancement Act ties adult education to the job training system, it acknowledges there are important uses of adult education other than assisting individuals who need to increase their literacy skills for purposes of employment. Marian Jackson, in her testimony before the Committee on February 25, 1997, explained that she had dropped out of school in the eleventh grade to care for a sick mother. While she has been in and out of adult education classes because of family responsibilities, she is still working toward her GED. She has also used her participation in adult education, among other things, as a way of encouraging her children to stay in school and graduate. According to Marian Jackson:

> Every day I use the skills I have learned in my adult education classes. Because my math skills are better, I can now shop and plan so that I have money left over. My writing skills are better and I can write letters to friends. I have written several of my government representatives about problems in my community. I can read a lot better and understanding what I'm reading and, I'm not afraid to speak out anymore. I am now a full time care giver for my six year old grandson. My skills will help me be able to help him with his school work. In my job, I use the skills I learn to make me a better care giver to the elderly people I work for. In addition to books skills, my self esteem and self confidence have grown.

According to the most recent National Evaluation of Adult Education Programs (1995) (NEAEP), the number of participants enrolling in English as a Second Language (ESL) programs is on the increase. In the 1992-1993 program year, 40 percent of program participants were enrolled in ESL classes. In 1980, ESL learners constituted just under 20 percent of enrollees. This grew to 31 percent in 1992 and 1993 and, according to the NEAEP study, 46 percent of new enrollees entered ESL instruction.

These are but a few examples of the types of assistance provided to individuals which are not related to employment but which assist them in completing the types of everyday tasks which individuals with good literacy skills take for granted. The Committee felt, therefore, that it was important to allow the continued use of funds for purposes other than employment-related literacy programs.

MEASURING PROGRAM SUCCESS

In Section 154 of this Act, the Committee has set forth core indicators of performance for adult education and literacy programs, which States can use to monitor the success of adult education and literacy programs funded under this Act. While high school diplomas and GEDs are some of the more commonly used measures of program success, the Committee recognizes that there are other measures, particularly for individuals with low literacy levels. By setting broad parameters for measuring program success, the Committee has allotted to States the responsibility for establishing their own statewide goals and benchmarks for achieving those goals. At the same time, we will be able to monitor whether or not programs funded under this Act are effectively serving the diverse educational needs of individuals no longer in school. The Committee expects States to use information collected from local providers to improve programs and make decisions on the allocation of resources.

THE NATIONAL INSTITUTE FOR LITERACY AND STATE LITERACY RESOURCE CENTERS

Section 321 of the Committee bill continues the authorization of the National Institute for Literacy. The National Institute for Literacy (NIFL) is a critical part of the national effort to improve the nation's system of adult education and literacy. The research, development, technical assistance, and information that the NIFL provides to State and local programs will be even more important as literacy providers work to meet the goals and performance standards required by this legislation. For example, the electronic information and communications network developed by the NIFL will provide the adult education and literacy field with up-to-date information both from national sources and other State and local programs. Since literacy and basic skills education for adults and families is vital to attaining many of the nation's economic and social goals, the NIFL must provide leadership in creating more effective and efficient literacy services.

The Committee intends for the NIFL to be a national resource for Federal agencies, States, and local employment and education programs as they implement the Employment, Training and Literacy Enhancement Act. The interagency nature of the NIFL is a perfect fit for the coordinated, consolidated human resource development system that is the goal of this legislation. The Committee expects the NIFL to continue in this role of working with the Departments of Labor, Education, and Health and Human Services and expects these Federal agencies to work closely with the NIFL to support its mission.

In order to speed the replacement of members of the National Institute for Literacy Advisory Board, the Committee has modified current law to allow the Interagency Group (the Departments of Education, Labor, and Health and Human Services) to appoint members to the board. This is no reflection on the important role played by the Institute. Rather a response to a concern about the length of the Presidential appointment process.

The Committee did not provide a separate line item for State Literacy Resource Centers. While the Committee believes the Centers serve a meaningful purpose, it is important at this time to focus as many dollars as possible on providing services at the local level. However, in view of the fact that these State centers provide an important link between States and local programs and the National Institute for Literacy and may not be continued without some type of Federal support, the Committee has included language in Section 314 allows individual States to fund these centers out of the funds they receive under this Act. Section 321 of the bill permits the National Institute for Literacy to fund a network of State or regional adult literacy resource centers to assist State and local public and private nonprofit efforts to improve literacy. The

Institute is already funding a variety of activities through these centers and the Committee supports the continued funding of such activities.

TITLE VIII—AMENDMENTS TO THE WAGNER-PEYSER ACT

This Committee feels that because the Wagner-Peyser Act is financed almost exclusively by employers through the Federal Unemployment Tax Act (FUTA), there is an obligation to ensure that these funds are used for their intended purpose to maintain a national system of employment services. The amendments to the Wagner-Peyser Act ensure that its programs are fully coordinated with the full service employment and training delivery system proposed under this legislation.

The Committee wants to stress the importance of the connection between the Employment Service (ES) and the Unemployment Insurance (UI) System. This linkage has been proven to move UI recipients back to work more quickly, thereby keeping unemployment taxes as low as possible.

Amendments to the Wagner-Peyser Act reflect the need to have this statute be consistent with the changes and repeals of other job training programs under H.R. 1385. Specifically, conforming amendments have been changed throughout. In order to ensure coordination between the Employment Service Offices within the full service employment and training delivery system, the amendments clarify the role of the Secretary of Labor to oversee this process, as well as to establish accountability and performance measures for the Employment Service. The role of Governors is also enhanced under these amendments by providing them more authority over the funds provided under this Act, in accordance with State statute. In the past, some Governors have found it difficult to ensure that Employment Service funds in their State are coordinated with the overall employment and training strategy.

In order to reduce the burden upon States in submitting multiple plans, amendments to Subsection (f), in combination with the State plan provisions of this legislation, require that the State plan under Wagner-Peyser be submitted as part of the State employment, training, and literacy plan. It is the Committee's intention that this will ensure even greater coordination between these systems. The bill also eliminates the statutory authority of the Federal Advisory Council.

DIVISION B—VOCATIONAL REHABILITATION PROGRAMS

BACKGROUND

The Rehabilitation Act of 1973 provides comprehensive Vocational Rehabilitation (VR) services to help individuals with physical and mental disabilities become employable and achieve independence and integration into society. The Rehabilitation Act was originally enacted in 1920 as a means of returning injured workers to their jobs. The program was expanded in 1943 to help meet the manpower shortage after the entry of the United States into World War II. Amendments in 1973 gave service priority to persons with severe disabilities if such persons had employment potential. The

1978 amendments expanded the Act by adding a major new service category, comprehensive services for independent living, for persons with severe disabilities without current employment potential. Amendments in 1986 strengthened services to the severely disabled by authorizing employment services for persons unable to maintain competitive employment without special assistance.

Amendments in 1992 reauthorized the Act for five years through FY 1997. Among other provisions, the law included amendments to establish a general presumption that persons with disabilities, including persons with severe disabilities, can benefit from VR services in terms of an employment outcome, unless the State VR agency can show evidence otherwise. This presumption allows some persons, who would not have otherwise been eligible, to enter the program. The amendments also required that eligibility for VR services be determined within 60 days of application; increased client choice of VR services; and increased requirements for consumer control of rehabilitation policy and service delivery.

THE NEED FOR A FUTURE COMPREHENSIVE REVIEW

The public rehabilitation system has evolved over a 75 year history and has developed a degree of expertise and success in serving those individuals with disabilities who have the greatest needs. The Committee believes that the 1992 amendments to the Act made important changes to improve the nation's State vocational rehabilitation systems. Based on the Committee's review of the Act and its implementation, and evidence of difficulties with the program that have come out over the last five years, the Committee believes that the Act, particularly the Title I Vocational Rehabilitation Services program, merits a comprehensive review. Strong evidence supports the need for such a review.

Testimony before this Committee has been mixed on the need for change and the scope of that change. During hearings this year, Judith Heumann, Assistant Secretary for the Office of Special Education and Rehabilitative Services noted that, "State VR agencies have been successful in increasing the numbers of individuals achieving an employment outcome." Yet later in her statement, she conceded that, "we must increase employer involvement [and] continue our efforts to streamline the rehabilitation process."

At the same hearing, Paul Spooner, Executive Director of MetroWest Center for Independent Living in Framingham, Massachusetts presented a similarly mixed view of the current state of the vocational rehabilitation system. He said:

> Many positive changes came out of the 1992 amendments, including the simplification of the eligibility process, consumer choice, and changes to the Centers for Independent Living Program. Overall, the changes have been very positive and have led to greater consumer control and involvement. * * * Many States have implemented the 1992 amendments * * * even though there are still no new regulations from the Rehabilitation Services Administration. The process of eligibility has been streamlined. Greater consumer choice has been provided. * * * Some States continue to ignore consumer choice, continue to

> practice lengthy and unnecessary eligibility processes, and do not place consumers in competitive employment situations. * * * In many cases, State agencies only give lip service to the concept of consumer control and consumer choice.

There has also been division in the view of the system among those who direct it—State vocational rehabilitation service directors. This year, Paul Charles LaRosa, Commissioner of the South Carolina Vocational Rehabilitation Department testified during Committee hearings:

> Nationwide, as in South Carolina, competitive job placements have risen substantially every year since the passage of the 1992 Amendments. * * * It is of interest to note here that the level of effectiveness of the Public Vocational Rehabilitation Program with * * * Social Security recipients would be even further enhanced if the "disincentives to work" inherent in the Social Security Program were to be addressed.

Yet during hearings in 1995, Patrick W. McKenna, Director of the Maryland Rehabilitative Services, said:

> The systems, procedures and required processes imposed on providers of rehabilitation services are an anachronism which somehow prevail despite the knowledge that they are, in many respects, obstacles which limit and compromise the effective and responsible delivery of services for consumers. The public program of vocational rehabilitation has created, over many decades, a burdensome reliance on "process" which has created an environment where value is placed on form over substance.

Public reports have been critical of the current system. In its 1993 study, the General Accounting Office pointed out emerging factors which are placing great strain on the centralized system:

> Effective vocational rehabilitation programs are important for a number of reasons. First, a productive and humane society is enhanced by the useful employment of as many of its adult members as possible. Second, statistics suggest that the population of Americans with work disabilities may be increasing. Some scholars have argued that recent reductions in the risk of death from accidents and illnesses are associated with an increasing risk of disability. And third, technological developments such as the availability of assistive devices and new behavioral training techniques have made it possible for individuals who were previously regarded as unemployable to enter the workplace.

With these changes in the characteristics of the population needing services, additional strains are being placed on the system. From FY 1992 to FY 1993, the number of newly eligible persons increased by 24 percent, the highest intake level in 16 years. Requirements added in the 1992 amendments have recently affected VR caseload trends. These included the presumption of benefits, and that VR agencies make eligibility determinations within 60 days of a person's application.

In January 1997, the National Alliance for the Mentally Ill released a report entitled, "A Legacy of Failure: The Inability of the Federal-State Vocational Rehabilitation System to Serve People with Mental Illness." That report strongly criticized the State system, stating that, "the federal-state vocational rehabilitation system has achieved dismal outcomes in serving people with severe mental illness. It achieves a lower rate of closure into meaningful jobs as compared to others with physical disabilities and mental retardation." The report went on to conclude that, "Most state vocational rehabilitation agencies show little initiative to revise existing procedures or to adopt systems that would create real incentives for counselors to serve consumers with complex needs, including those with severe mental illness."

Given the calls to action, the heavy criticism of the vocational rehabilitation system, and the dissent from that criticism, the Committee strongly believes that the Rehabilitation Act needs significant and careful review. Unfortunately, the Committee believes that it is unable at this time to provide the kind of in-depth legislative oversight that this program merits. The primary problem has been the uneven implementation of the 1992 Amendments. As noted by Mr. Spooner during the Committee's hearings, some States have implemented the regulations and some have not.

The Department of Education bears significant responsibility for this problem. The Department failed to propose and finalize regulations implementing the 1992 State-Federal program changes until February, 1997. It failed to implement changes to the Title VI Projects With Industry regulations until 1997. And, as of this time, the Department has yet to release even draft versions of the Standards and Indicators implementing regulations a full four and a half years after the passage of the 1992 Amendments. Although the historic practice in reviewing and authorizing this law has been to review the implementation of the Act, based on its implementation over the previous five years, the Committee does not believe that the 1992 Amendments have been implemented sufficiently or uniformly enough to properly review their results.

LENGTH OF AUTHORIZATION, SCOPE OF REFORMS AND VIEWS

For the reasons outlined above in the Background section, the Committee has chosen a three-year authorization of the Rehabilitation Act and its programs. The Committee believes that the implementation of this Act and its 1992 Amendments is too important to defer beyond the 106th Congress. For similar reasons, other amendments in this authorization have been limited as well to those that are measured in scope and for which there is a consensus on the propriety for change.

EXPLANATION OF OTHER AMENDMENTS

One of the most significant amendments to the legislation has been the repeal of 22 authorized by unfunded programs. Many of these programs have been authorized for over twenty years and have never received appropriations. In these times of budgetary constraint and scarce resources, the Committee believes that the primary focus of resources should be on the Title I program.

Substantive changes and additions to the Rehabilitation Act include the definition of administrative costs. The Committee believes that previous accountings of program administration in the Title I program have been inadequate. The Committee complements the Secretary's recent definition of administrative costs as part of its February 1997 regulations, and has codified much of that definition for the Title I program.

The Committee reaffirms the distinct original purposes of the statewideness and private earmarked funds provisions of Title I. The statewideness provision is intended to ensure that, in general, State efforts are not purposely skewed to particular areas of a State, without permission from the Department of Education. The private earmarked funds provisions, which were created two years earlier, were intended to permit the private earmarking of funds for construction of rehabilitation facilities and later, for direct services by the same principle, when State tax dollars are insufficient to match Federal funds. Particularly in light of its construction project origins, the earmarking provision was clearly intended to permit earmarked funds to assist particular areas.

When the statewideness concept was added to the law a few years after the earmarking authority, statewideness was not intended to cover the private earmarking of funds. This was clearly demonstrated by the fact that the practice of private earmarking without a waiver of statewideness occurred on a regular basis in the 1970's. Contrary to recent Department interpretations of these statutory provisions, the bill clarifies that earmarking of private funds for service delivery in particular geographic areas of the State is permitted without a waiver of the State's statewideness obligations.

For the purposes of this Act, the Committee creates parity between the treatment of community rehabilitation programs that participate in the Javits-Wagner-O'Day program and those that participate in "state use" contracting programs. State use programs are those State government procurement set-aside programs authorized under various State laws.

For purposes of interpreting the meaning of the term "state use," the following statutes are listed as example of state use laws: California (West's California Codes Annotated Welfare and Institutions Code secs. 19403 and 19404); Connecticut (General Statutes of Connecticut secs. 10-100, 10-103, 10-103a, 10-294a, and 10-298 through 298d); Delaware (Delaware Code Annotated title 16, secs. 9601 through 9605); Florida (Florida Statutes secs. 413.031 through 413.037); Indiana (Indiana Statutes secs. 16-7-11.5-1 to 16-7-11.5-3); Maryland (Maryland State Finance and Procurement Code Annotated secs. 14-101 through 14-108); New Jersey (New Jersey Revised Statutes secs. 30:6-23 through 30:6-33); New York (New York State Finance Law secs. 175-a through 175-c); North Carolina (General Statutes of North Carolina sec. 143-48); Ohio (Ohio Revised Code Annotated secs. 4115.31 through 4115.35); Oregon (Oregon Revised Statutes secs. 279.835 through 279.855); Pennsylvania (71 Pennsylvania Consolidated Statutes sec. 639.1); Tennessee (Tennessee Code Annotated secs. 71-4-201 through 71-

4-205, and 71-4-701 through 71-4-705); Texas (Texas Human Resources Code sec. 122.001 through 122.019); Washington (Revised Code of Washington secs. 43.19.520 through 43.19.530); West Virginia (West Virginia Code secs. 5A-3-10, and 5A-3A-1 through 5A-3A-6); and Wisconsin (Wisconsin Statutes sec. 15.105(22) and 16.752). This list should not be interpreted as excluding other similar laws, but is added for the convenience of identifying examples of such statutes.

The Committee also clarifies the original intent of Title I State plan provisions relating to students with disabilities who have Individualized Education Programs (IEPs). The Senate report for the 1992 Amendments stated that the intent of the transition services amendments was not "to shift the responsibility of service delivery from education to rehabilitation during the transition years. The role of the rehabilitation system is primarily one of planning for the student's years after leaving school." The Committee believes that its changes to this provision will effectuate that intent by permitting the delivery of transition services under an IEP without the development of an Individualized Written Rehabilitation Plan. This will reverse the current effect of discouraging vocational rehabilitation counselor participation by requiring an IWRP for every student with an IEP.

The bill also reduces the prescriptive Federal design of State counselor training programs. It instead permits States to determine what their own needs are by their own means, without abdicating their responsibility for providing training to their staff. The Committee also believes that Congress should not use the Title I program to push particular careers and has amended the Act's scope of services provisions to effectuate that intent.

The Committee intends that Standards and Indicators, when at long last they are released by the Department of Education, will be reviewed every three years and revised after public comment. The Committee strongly intends, however, that this public comment not delay the timely review and revision of these long-overdue program performance evaluation tools. The Committee believes that scrutiny by an interested public is one of the strongest means of assuring program responsiveness, and to that end has required that findings and reports from annual reviews and periodic on-site monitoring visits shall be made available to State Rehabilitation Advisory Councils.

CONCLUSION

The scope of amendments in this bill is limited because the Committee believes that it needs time to review the implementation of the 1992 amendments to the Rehabilitation Act and its regulations. The Committee expects, however, that there will be major reforms of this program during its next authorization in the 106th Congress.

SECTION-BY-SECTION ANALYSIS

H.R. 1385, the "Employment, Training, and Literacy Enhancement Act of 1997," as reported by the Committee on Education and the Workforce on April 30, 1997.

Section 1 contains the short title of the bill.

Section 2 contains the table of contents of the bill; including two divisions: Division A, Employment, Training and Literacy Programs; and Division B, Vocational Rehabilitation Programs.

DIVISION A—EMPLOYMENT, TRAINING, AND LITERACY PROGRAMS

TITLE I—AMENDMENTS TO GENERAL PROVISIONS AND PROGRAM REQUIREMENTS

Subtitle A—General Provisions

Section 101 amends Section 2 of the Job Training Partnership Act (JTPA) to include a new purpose for the Act.

Section 102 amends section three of JTPA to provide authorizations for Titles II, III and IV under the amended Act.

Section 103 includes definitions for the following terms: Adult Education and Literacy Activities; Appropriate Secretary; Chief Elected Official; Community-Based Organization; Dislocated Worker; Individual with a Disability; Secretaries; State; Supportive Services; Veteran; Employment, Training and Literacy Programs; English Literacy Program; Family Literacy Services; Full Service Eligible Providers; Human Resource Programs; Individual of Limited English Proficiency; Literacy; Local Benchmarks; Local Workforce Development Area; On-The-Job Training; Outlying Area; Rapid Response Assistance; Skill Grant; State Adjusted Benchmarks; State Benchmark; Statewide System; and Representatives of Employees.

Subtitle B—State and Local Administrative Provisions

Section 111 amends title I of JTPA, to include the following sections.

"Section 101(a) requires that in order for States to be eligible to receive funds under title II, title III, and title IV, they must provide to the appropriate Secretaries a three-year plan which shall meet the requirements of this section.

"Section 101(b) specifies the contents of the State plan.

"Section 101(c) requires the plan to be approved by the appropriate Secretaries unless such plan does not comply with the specific provisions of this Act.

"Section 101(d) contains special rules for the authority over the content of State plans.

"Section 101(e) allows States to submit modifications to the State plan.

"Section 102(a) requires States to establish a collaborative process and includes specific individuals and entities to be included under such process.

"Section 102(b) clarifies that current State councils meeting the requirements of Section 103 may serve as the collaborative process.

"Section 102(c) contains additional functions of the collaborative process."

Section 112 amends Part B of title I of JTPA by striking sections 121 through 123 and inserting the following:

"Section 121(a) requires States receiving funds under title II or title III to designate workforce development areas and includes requirements for that designation.

"Section 121(b) includes conditions allowing States to designate the entire state as a workforce development area.

"Section 122(a) requires local boards be established in each workforce development area.

"Section 122(b) specifies the criteria and composition of local boards.

"Section 122(c) specifies the process for the appointment of local board members, the certification of such boards and the grounds for decertification.

"Section 122(d) specifies the functions of the local board, including their role with respect to development of the local plan, selection of providers, identification of eligible providers of training services, budget and program oversight, and negotiations regarding local benchmarks and local delivery of services.

"Section 122(e) specifies the information, including the local plan, to be made available to the public by local boards.

"Section 123(a) requires States receiving funds under Section 312 to establish an employment and training delivery system.

"Section 123(b) provides framework with respect to access to delivery of services.

"Section 123(c) specifies eligibility for designation as a service provider.

"Section 123(d) requires funds available to workforce development areas under 313(b) (in addition to related funds) be used to provide core services.

"Section 123(e) lists permissible services to be provided through the full service employment and training delivery system.

"Section 124(a) specifies requirements for designation of an entity as an eligible provider of training services under title III.

"Section 124(b) specifies the performance information required to be submitted by eligible training providers.

"Section 124(c) specifies the administration of such information by the Governor.

"Section 124(d) specifies enforcement with respect to eligibility.

"Section 124(e) provides exceptions for on-the-job training providers and registered apprenticeship programs."

SUBTITLE C—PROGRAM AND FISCAL PROVISIONS

Section 121(a) amends section 141(a) of JTPA with respect to the job training plan.

Section 121(b) amends section 141(c) of JTPA with respect to the prohibition on use of funds to encourage or induce relocation or to use funds for certain activities after relocation and sets forth penalties for any such violation.

Section 121(c) repeals section 141(d) of JTPA with respect to certain program requirements.

Section 121(d) amends section 141(e) of JTPA by repealing a provision with respect to a condition of eligibility.

Section 121(e) repeals section 141(f) of JTPA with respect to prohibitions on certain votes.

Section 121(f) amends section 141(g) of JTPA with respect to on-the-job training.

Section 121(g) amends section 141(h) of JTPA with respect to non duplication of facilities or services.

Section 121(h) repeals section 141(i) of JTPA with respect to certain responsibilities of administrative entities.

Section 121(i) repeals section 141(k) of JTPA with respect to the prohibition on certain subsidized employment.

Section 121(j) amends section 141(n) of JTPA with respect to consultation requirements.

Section 121(k) amends section 141(p) of JTPA with respect to the prohibition on use of funds for public service employment.

Section 121(l) amends section 141(q) of JTPA with respect to the prohibition on use of funds for certain economic activities.

Section 121(m) repeals section 141(s) of JTPA with respect to priority for excess property of the Department of Defense.

Section 121(n) amends section 141 by inserting at the end:

"Section 141(s) clarifying prohibition on entitlement to service under this Act.

"Section 141(t), allowing services, facilities, and equipment funded under title II or title III to be used on a fee for service basis to provide employment and training services to incumbent workers."

Section 122 amends section 142(a) of JTPA with respect to benefits for individuals in on-the-job training and individuals employed in activities under this Act.

Section 123 amends section 143 of JTPA by striking subsections (a) through (d) and inserting the following:

"Section 143(a) includes limitation on the activities that impact the wages of employees.

"Section 143(b) specifies prohibitions on displacement of currently employed workers by certain participants under this Act and prohibitions on impairment of contracts.

"Section 143(c) specifies further prohibitions with respect to nondisplacement.

"Section 143(d) applies certain health and safety standards to participants engaged in specified activities.

"Section 143(e) includes provisions with respect to employment conditions for individuals in on-the-job training or individuals employed in activities under this Act.

"Section 143(f) provides interested parties to submit comments with respect to certain training programs."

Section 124 amends section 144 of JTPA by striking sections (a) through (g) and inserts a grievance procedure for grievances or complaints alleging violations of the requirements of this Act.

Section 125 amends section 124 of JTPA with respect to identification of additional imposed requirements.

Section 126 amends section 126 of JTPA with respect to the authority of the State legislature, including the requirement that funds under title II and title III be appropriated by the State legislature.

Section 127 amends section 127 of JTPA with respect to interstate agreements.

Section 131 amends part C of title I of JTPA to include the following:

"Section 151 requires States receiving funds under this Act to implement a statewide performance accountability system.

"Section 152(a) requires States to identify benchmarks for programs established under titles II, III or V.

"Section 152(b) specifies a procedure for determining technical definitions of core indicators.

"Section 153(a) specifies the process through which States negotiate benchmarks with the appropriate Secretary.

"Section 153(b) specifies the process through which local workforce development boards negotiate levels of performance.

"Section 153(c) specifies the process for identifying model levels of performance.

"Section 154 requires common core performance indicators for programs authorized under title III, and includes those common core indicators, additional core indicators for programs under the Adult Education and Family Literacy Act, common core indicators for disadvantaged youth, and population indicators.

"Section 155 requires States receiving funds under titles II and III of this Act, and the Adult Education and Family Literacy Act, to annually report to the appropriate Secretary the levels of performance achieved with respect to State adjusted benchmarks.

"Section 156(a) authorizes the Secretaries to award incentive grants to States with respect to high performance.

"Section 156(b) authorizes the Secretaries to sanction States for failure to meet expected levels of performance; that the Secretaries may provide technical assistance upon the request of States not meeting expected performance levels, and includes the criteria for an appeals process."

Section 141 amends section 162 of JTPA requiring the allocation of funds be based on the most recent Census Bureau data.

Section 142(a) amends section 164(a) of JTPA concerning the establishment of fiscal controls and sanctions by States.

Section 142(b) amends section 164(b) of JTPA concerning sanctions for substantial violations.

Section 142(c) repeals section 164(c) of JTPA concerning the evaluation by the Comptroller General of the United States.

Section 142(d) amends section 164(d) of JTPA with respect to repayment of misexpenditures to the United States.

Section 142(e) amends section 164(e) of JTPA with respect to repayments to the United States of misexpenditures of funds in certain cases.

Section 142(f) repeals section 164(h) of JTPA with respect to remedies construed as exclusive remedies.

Section 143 amends section 165 of JTPA by striking subsection (h).

Section 144 amends section 166(a) of JTPA by striking the last sentence concerning administrative adjudication.

Section 145 amends section 167 of JTPA with respect to nondiscrimination.

Section 146 repeals section 168 of JTPA concerning judicial review.

Section 147 amends section 169 of JTPA to clarify that the Secretary shall prescribe rules and regulations only to the extent necessary to ensure compliance with this Act.

Section 148 repeals section 172 of JTPA concerning Presidential awards for outstanding private sector involvement in job training programs.

Section 149 repeals section 173 of JTPA concerning a rule of construction.

Section 150 amends section 172 of JTPA to include the following: "Section 172 (a) requires the Secretary to define, within provided limitations, administrative costs for programs under titles II and III that reflect generally accepted accounting principles."

SUBTITLE D—MISCELLANEOUS PROVISIONS

Section 161 repeals section 182 of JTPA but does not affect in any way amendments made by such section 182.

Section 162 amends section 183 of JTPA to clarify that references to the "Comprehensive Employment and Training Act", or to "JTPA", be referred to as the "Employment, Training, and Literacy Enhancement Act" upon enactment of such Act.

Section 163 repeals Section 184 of JTPA but does not affect in any way the repealers made by such section 184.

TITLE II—AMENDMENTS TO EMPLOYMENT AND TRAINING PROGRAMS FOR DISADVANTAGED YOUTH

Section 201 strikes part A of title II of JTPA concerning the adult training program.

Section 202 strikes part B of title II of JTPA concerning the summer youth employment and training program.

Section 203 amends title II, Part C of JTPA to create the new block grant delivery system.

Subsection 203 (a) strikes the heading for Part C, and renames title II as "TITLE II—DISADVANTAGED YOUTH EMPLOYMENT AND TRAINING OPPORTUNITIES GRANTS". This subsection redesignates the purpose section 261 in Part C of JTPA, as section 201, and establishes a new section 202 requiring the Secretaries to make grants under title II to States that meet the State plan and collaborative process requirements under sections 101 and 102 of the bill.

Subsection 203(b) amends section 262 of JTPA, establishing a new section 203 for the allotment and allocation of funds among States, provides criteria for such allotment and allocation of funds among states and outlying areas and specifies the allotment formula for the remaining funds to States. Contains additional requirements for the allotment of funds to the outlying areas and the freely associated states and the definition of disadvantaged youth, for the purposes of title II.

Subsection 203(c) establishes a new section 204 for the allocation of funds within States which provides that the Governor of each State may reserve not more than 25 percent of funds allotted to the State to carry out certain State level activities. This section also describes both required and discretionary activities that are authorized to be carried out with such State reserve funds. In addition, out of the 25 percent of reserved funds, States shall reserve 10 percent of the total amount allotted to the State for out of school youth incentive grants; and establishes a limitation of 5 percent of total funds allotted for State administrative expenses.

Section 203 is further amended to require the remainder of funds be distributed to local workforce delivery areas throughout the State, based upon a formula developed by the Governor, through the collaborative process, specifies certain criteria which must be taken into account in development of such within-State formula.

Subsection 203(d) amends title II of JTPA by redesignating section 263 as section 205, establishing eligibility criteria for participation in programs under this title. Also requires that no less than 90 percent of program participants be economically disadvantaged, and between the ages of 16 to 21, and that priority for the provision of services be given to hard to serve disadvantaged youth, and describes certain criteria for the identification of such hard to serve youth.

Subsection 203(e) amends title II of JTPA by redesignating section 264 as section 206, which describes essential program design elements of disadvantaged youth programs, and describes the allowable uses of funds for programs authorized under this title. Contains additional program requirements, including the requirement that all employment and job search activities for disadvantaged youth be supplemented with occupational and academic learning opportunities designed to increase the basic education and occupational skills of the participant.

Subsection 203(f) establishes a new section 207, requiring that local workforce development boards award competitive grants to eligible providers to carry out disadvantaged youth programs described under section 206, from funds allocated to local workforce development areas under this title.

Subsection 203(g) redesignates section 265 as section 208, which establishes educational linkages between disadvantaged youth programs carried out under this title, and programs established outside of this Act.

Subsection 203(h), eliminates section 266 of JTPA which provides transfer authority between Parts B and C of JTPA, as this provision is no longer relevant.

TITLE III—AMENDMENTS TO EMPLOYMENT AND TRAINING PROGRAMS FOR ADULTS

Section 301 amends title III of JTPA by: renaming title III as "TITLE III—ADULT EMPLOYMENT AND TRAINING OPPORTUNITIES GRANTS"; and establishing the following new sections under this title:

Section 301 sets forth the purposes of this title.

PART A—ADULT EMPLOYMENT AND TRAINING OPPORTUNITIES GRANTS

Section 311 requires the Secretary of Labor to make grants to States (for adult employment and training and for dislocated workers) that meet the State plan and collaborative process requirements under sections 101 and 102, in amounts determined under section 312.

Section 312 establishes provisions for the allotment of funds to States and outlying areas, and establishes the authority for 20 percent of funds for dislocated workers to be reserved by the Secretary of Labor under Part B for National Emergency Grants and for Skill Upgrading Grants in enterprise zones and empowerment communities. Also establishes the formula for the allotment of funds for adult employment and training and for dislocated workers.

Section 313 establishes criteria for the distribution of adult employment and training and dislocated worker funds within States. This section includes authority to Governors to reserve a set percentage of funds from the State's adult employment and training and the dislocated worker allotments for specific required and discretionary activities. This section also requires that the remainder of such funds be allocated to local workforce development areas throughout the State, based upon a formula developed by the Governor, through the collaborative process, and specifies certain criteria which must be taken into account in development of such within-State formula.

Section 314 describes the allowable uses of funds under title III, and establishes additional requirements in the provision of training services, including a requirement that training services be provided through the use of skill grants.

PART B—NATIONAL PROGRAMS

Section 321 provides authority to the Secretary of Labor to award national emergency grants for employment and training assistance for dislocated workers, and for disaster relief employment assistance; and establishes criteria for carrying out such emergency assistance.

Section 322 provides authority to the Secretary of Labor to award grants to provide skill upgrade training for workers in enterprise zones or empowerment communities.

TITLE IV—AMENDMENTS TO FEDERALLY ADMINISTERED PROGRAMS

Section 401 amends section 401 by striking sections (a) through (l) and inserting the following sections:

"Section 401(a) includes a purpose with respect to Native American programs.

"Section 401(b) includes definitions for Native American programs.

"Section 401(c) specifies the programs authorized under this section and the entities authorized to carry out such programs.

"Section 401(d) specifies the activities authorized under this section.

"Section 401(e) requires entities administering programs under this section to submit a plan to the Secretary of Labor.

"Section 401(f) allows for consolidation of certain related programs in accordance with the provisions of the Indian Employment, Training and Related Services Demonstration Act of 1992 (25 U.S.C. 3401 et seq.).

"Section 401(g) specifies provisions with respect to nonduplicative and nonexclusive Services.

"Section 401(h) contains administrative provisions for programs under this section."

Section 402 of the JTPA by striking sections (a) through (e) and inserting the following:

"Section 402(a) requiring the Secretary of Labor to make grants to, or enter into contracts with, eligible entities to carry activities under this section.

"Section 402(b) specifies entities eligible to provide services under this section.

"Section 402(c) requires entities providing services under this section to submit a plan to the Secretary and includes the contents required under such plan.

"Section 402(d) specifies the activities authorized under this section.

"Section 402(e) includes provisions related to consultation with Governors and local boards.

"Section 402(f) authorizes the Secretary to issue regulations with respect to this part and specifies the components of such regulations.

"Section 402(g) includes definitions."

SUBTITLE B—JOB CORPS

Section 411 amends section 421 of JTPA, the purpose section of Job Corps.

Section 412 amends section 423 of JTPA with respect to individuals eligible to participate under Job Corps.

Section 413 amends section 424(a) of JTPA with respect to the screening and selection of applicants.

Section 414 amends section 427 of JTPA with respect to the selection of Job Corps centers.

Section 415 amends section 430(a) of JTPA with respect to standards of conduct.

Section 416 amends section 432(b) of JTPA with respect to counseling and job placement.

Section 417 amends section 433(c)(1) of JTPA with respect to experimental and developmental programs and coordination with other programs.

SUBTITLE C—NATIONAL ACTIVITIES

Section 421 amends JTPA by striking sections 451 through 454 and inserting the following sections.

"Section 451(a) authorizes the Secretary to establish and carry out research, demonstration, evaluation, and capacity building activities described in subsection (b) through (f).

"Section 451(b) authorizes certain activities with respect to national partnerships and special training.

"Section 451(c) authorizes the Secretary to conduct research with respect to employment and training.

"Section 451(d) authorizes the Secretary to carry out pilot and demonstration programs.

"Section 451(e) authorizes the Secretary to carry out evaluation activities with respect to programs under this Act.

"Section 451(f) authorizes the Secretary to provide certain technical assistance activities.

"Section 452 authorizes the Secretary to award certain incentive grants."

Section 422, repeals section 456 of JTPA with respect to nontraditional employment demonstration program.

SUBTITLE D—REPEALERS

Section 451 repeals Parts F, G, H, I, and J of title IV of the JTPA.

TITLE V—AMENDMENTS TO ADULT EDUCATION PROGRAMS

Section 501 repeals title V of the JTPA.

Section 502 amends the Adult Education Act as follows:

"TITLE III—ADULT EDUCATION AND FAMILY LITERACY PROGRAMS

"Section 301 contains the short title of the Act, and renames the Adult Education Act the Adult Education and Family Literacy Act.

"Section 302 sets forth the purpose of this title.

"Section 303 includes definitions for the following terms for the purpose of this title: Adult Education; Adult Education and Literacy Activities; Community-Based Organization; Direct and Equitable Access; Eligible Agency; Eligible Provider; English Literacy Program; Family Literacy Services; Individual of Limited English Proficiency; Individual with a Disability; Literacy; Local Educational Agency; Outlying Area; Postsecondary Educational Institution; Secretary; and State.

"Section 304 (a) authorizes appropriations for the fiscal years 1998, 1999, 2000, 2001, 2002, and 2003.

"Section 304 (b) sets forth amounts to be reserved at the National level for National Leadership Activities, including funds for the National Institute for Literacy.

"PART A—GRANTS TO ELIGIBLE AGENCIES

"Section 311 (a) authorizes the Secretary to make grants consisting of the initial and additional allotments as determined under section 312, to eligible States that submit a plan in accordance with section 101.

"Section 311 (b) requires States receiving grants under section 311 (a) to expend the grant amount for adult education and literacy activities in accordance with the provisions of this part.

"Section 312 sets forth the initial and additional allotments to States, defines qualifying adults for purposes of allotting funds to states, addresses payments to the Marshall Islands, Micronesia and Palau and establishes criteria for the reallotment of funds.

"Section 313 sets forth the purposes for which States can receive funds under this title. Requires 85 percent of a state's allotment to be used to award grants to local providers for adult education and literacy services, but allows states to retain 5 percent for state administration and 10 percent for a variety of activities related to the purposes of this Act. Requires grants to be provided, on a competitive basis, to a variety of providers of adult education and literacy services, including a consortia of such providers. Sets forth the considerations a state must use in awarding grants to local providers. Caps local administrative funds at 5 percent.

"Section 314 outlines the purposes for which states can use funds received under this title, including state literacy resource centers, professional development programs, technical assistance to local providers and technology assistance. Requires local providers to use funds for adult education and literacy services, family literacy services, and English literacy programs. Requires states to identify to local providers any requirements which are imposed by the state.

"Section 315 sets forth the fiscal requirements and restrictions related to the use of funds under this Act, including supplement not supplant, maintenance of effort and state match requirements. States must meet these requirements in order to qualify to receive funds under this title.

"PART B—NATIONAL PROGRAMS

"Section 321 sets forth the purposes, establishment, and duties of the National Institute for Literacy. Outlines authorized activities. Establishes and outlines the terms and operating procedures for a National Institute for Literacy Advisory Board.

"Section 322 allows the Secretary to establish and carry out a program of national leadership and evaluation activities. Sets forth activities for which funds may be used."

Section 503 repeals the National Literacy Act of 1991.

Section 504 repeals subsection (b) of section 402 of the Refugee Education Assistance Act of 1980 and makes other Act conforming amendments.

TITLE VI—MISCELLANEOUS PROVISIONS

Section 601 (a) repeals section 601 of the JTPA concerning amendments to the Wagner-Peyser Act.

Section 601 (b) repeals section 602 of the JTPA concerning amendments to part C of the title IV of the Social Security Act.

Section 601 (c) repeals section 603 of the JTPA.

Section 601 (d) the repeals made in subsections (a), (b), and (c) in no way affects other provisions of law affected by those provisions.

Section 602 (a) redesignates section 604 of the Job Training and Partnership Act as section 182 of such Act.

Section 602 (b) amends section 605 of the Job Training and Partnership Act.

Section 602 (c) redesignates section 125 of the Job Training and Partnership Act as section 467 of such Act.

TITLE VII—AMENDMENTS TO STATE HUMAN RESOURCE INVESTMENT COUNCIL

Section 701 makes amendments to section 701 of the Job Training and Partnership Act.

Section 702 transfers title VII of the JTPA, as amended by section 701, to the end of part A of title I of such Act, as amended by section 111 of this Act.

Section 703 further amends title VII of the JTPA, as transferred to the end of part A of title I of such Act by section 702.

TITLE VIII—AMENDMENTS TO WAGNER-PEYSER ACT

Section 801 replaces "JTPA" with "Employment, Training, and Literacy Enhancement Act", and clarifies the definitions of the terms local workforce development area, local workforce development board, and full service employment and training delivery system.

Section 802 amends section 3(a) of the Wagner-Peyser Act concerning the functions of the Secretary of Labor.

Section 803 amends section 4 of the Wagner-Peyser Act concerning the designation of state agencies.

Section 804 strikes paragraph (3) of section 5(c) of the Wagner-Peyser Act concerning appropriations.

Section 805 amends section 7 of the Wagner-Peyser Act concerning the disposition of allotted funds.

Section 806 requires States to submit to the Secretary a plan in accordance with the requirements of section 101 of this Act in order to be eligible to receive funds under this Act.

Section 807 repeals section 11 of the Wagner-Peyser Act concerning the Federal Advisory Council.

Section 808 amends section 12 of the Wagner-Peyser Act concerning regulations.

Section 809 sets an effective date of July 1, 1998, for this title.

TITLE IX—TECHNICAL AND CONFORMING AMENDMENTS

SUBTITLE A—AMENDMENTS TO JTPA

Section 901 amends JTPA as follows:

"Section 1. Short Title; Table of Contents

"Section 1(a) sets forth the short title of the Act as the Employment, Training, and Literacy Enhancement Act.

Section 1(b) sets forth the table of contents.

Section 902 further amends the definitions in section 4 of such Act.

Section 903 amends the headings in title I of JTPA.

Section 904 amends part headings in title IV of JTPA.

Section 905 strikes the heading for title VI of JTPA.

SUBTITLE B—AMENDMENTS TO OTHER ACTS

Section 911 makes amendments to Section 3502 (d) of United States Code; the Food Stamp Act of 1977; the Immigration and Nationality Act; the Refugee Education Assistance Act of 1980; the National Defense Authorization Act for Fiscal Year 1993; the National Defense Authorization Act for Fiscal Year 1991; the National Defense Authorization Act for Fiscal Year 1994; the Small Business Act; the Employment Act of 1946; the Full Employment and Balanced Growth Act of 1978; Title 18, United States Code; the Trade Act of 1974; the Higher Education Act; the Individuals with Disabilities Education Act; the Department of Education Organization Act; the National Skill Standards Act of 1994; the Elementary and Secondary Education Act of 1965; the Freedom Support Act; the

Emergency Jobs and Unemployment Assistance Act of 1974; the Rehabilitation Act; the Job Training Reform Amendments of 1992; the Veterans' Benefits and Programs Improvement Act of 1988; the Veterans' Job Training Act; the Worker Adjustment and Retraining Notification Act; the Veterans' Rehabilitation and Education Amendments of 1980; Title 38, United States Code; the United States Housing Act; the Housing Act of 1949; the Older Americans Act of 1965; the Omnibus Crime Control and Safe Streets Act of 1968; the Environmental Programs Assistance Act of 1984; the Domestic Volunteer Service Act of 1973; the Energy Conservation and Production Act; the National Energy Conservation Policy Act; the Community Economic Development Act of 1981; the National and Community Service Act of 1990; the Cranston-Gonzalez National Affordable Housing Act; and, the Violent Crime Control and Law Enforcement Act of 1994.

TITLE X—EFFECTIVE DATE AND TRANSITION PROVISIONS

Section 1001 sets forth July 1, 1998, as the effective date of this division and its amendments.

Section 1002 requires the appropriate Secretaries to provide for the orderly transition from any authority under or related to the provisions of law amended or repealed by this division.

DIVISION B—VOCATIONAL REHABILITATION PROGRAMS

TITLE XXI—AMENDMENTS TO GENERAL PROVISIONS

Section 2101 amends section 3 of the Rehabilitation Act by striking an expired provision in subsection (b), and by striking subsection (c).

Section 2102 amends section 7 of the Rehabilitation Act by striking the definition of "public safety officer," adding a definition of administrative costs, making technical changes to the definition of "individual with a severe disability," and alphabetizing all of the definitions in section 7.

Section 2103 amends section 13 of the Rehabilitation Act by requiring the Commissioner to collect information on administrative costs and other expenditures in the Title I Vocational Rehabilitation Services program.

Section 2201 amends section 100(b) of the Rehabilitation Act by extending the authorization of the Title I program through 2000.

Section 2202 amends section 101(a) of the Rehabilitation Act by permitting the earmarking of private local funds for particular geographic areas without a waiver of statewideness, making technical changes to the subsection, and striking the construction authority.

Section 2203 amends section 103(a) of the Rehabilitation Act by striking obligations to direct individuals into certain careers.

Section 2204 amends section 105 of the Rehabilitation Act by striking an expired provision.

Section 2205 amends section 106(a) of the Rehabilitation Act by providing for the regular review of standards and indicators.

Section 2206 amends section 107(a) of the Rehabilitation Act by requiring that monitoring and review reports of the Commissioner be made available to the State Rehabilitation Advisory Council.

Section 2211 amends section 110(d)(2) of the Rehabilitation Act by extending current funding distribution requirements through 2000.

Section 2212 amends section 111 of the Rehabilitation Act by extending current funding distribution requirements through 2000.

Section 2213 amends section 112(h) of the Rehabilitation Act by extending current funding distribution requirements through 2000.

Section 2221 amends section 201 of the Rehabilitation Act by extending the authorization of the Title II program through 2000.

Section 2222 amends section 100(b) of the Rehabilitation Act by permitting the Secretary of Education to determine staffing levels and position responsibilities for the National Institute on Disability and Rehabilitation Research.

Section 2231 amends section 302 of the Rehabilitation Act by making technical changes to the section, repealing the program authorized under subsection (e), and authorizing other programs through 2000.

Section 2232 amends sections 303, 304, 305, and 306 of the Rehabilitation Act by repealing those programs.

Section 2233 amends section 310 of the Rehabilitation Act by extending the authorization of that section through 2000, and making conforming amendments.

Section 2241 amends section 311 of the Rehabilitation Act by striking the programs in subsections (b) and (e), and extending the authorization of the subparagraph (c) and (d) programs through 2000.

Section 2242 amends section 312 of the Rehabilitation Act by extending the authorization of the program through 2000.

Section 2243 amends sections 314 and 315 of the Rehabilitation Act by striking those sections.

Section 2244 amends section 316 of the Rehabilitation Act by extending the authorization of the program through 2000, and making conforming amendments.

Section 2251 amends section 405 of the Rehabilitation Act by extending the authorization in that section through 2000.

Section 2261 amends section 501 of the Rehabilitation Act by making updating the name of the President's Committee on the Employment of People with Disabilities.

Section 2262 amends section 502 of the Rehabilitation Act by making technical changes and updating the name of the Committee on Education and the Workforce.

Section 2263 amends section 509 of the Rehabilitation Act by making technical changes, updating the name of the Committee on Education and the Workforce, and extending the authorization in that section through 2000.

Section 2271 amends sections 622 and 638 of the Rehabilitation Act by extending the authorizations in those sections through 2000.

Section 2272 amends Parts A and D of Title VI of the Rehabilitation Act by repealing them and making conforming changes.

Section 2281 amends Title VII of the Rehabilitation Act by extending the authorizations in that title through 2000.

Section 2282 amends Title VII of the Rehabilitation Act by striking a double comma and inserting a single comma.

Section 2291 amends Title VIII of the Rehabilitation Act by extending the authorizations in that title through 2000.

Section 2292 extends the Demonstration Projects to Increase Client Choice through fiscal year 2000.

Section 2293 amends Title VIII of the Rehabilitation Act by repealing the programs in subsections (d) and (e), repealing the program in subsection (a) effective October 1, 1998, and making technical and conforming changes to subsection (f).

Section 2295 amends the Helen Keller National Center Act by extending its the authorization through 2000.

Section 2297 establishes an effective date for amendments made in Division B of the bill, except as otherwise noted in section 2293, as October 1, 1997.

EXPLANATION OF AMENDMENT

The Amendment in the Nature of a Substitute is explained in this report.

OVERSIGHT FINDINGS OF THE COMMITTEE

In compliance with clause 2(l)(3)(A) of rule XI of the Rules of the House of Representatives and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the body of this report.

GOVERNMENT REFORM AND OVERSIGHT

With respect to the requirement of clause 2(l)(3)(D) of rule XI of the Rules of the House of Representatives, the Committee has received no report of oversight findings and recommendations form the Committee on Government Reform and Oversight on the subject of H.R. 1385.

COMMITTEE ESTIMATE

Clause 7 of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred in carrying out H.R. 1385. However, clause 7(d) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 403 of the Congressional Budget Act of 1974.

CONSTITUTIONAL AUTHORITY

The Job Training Partnership Act, The Adult Education Act, The Wagner-Peyser Act, the Rehabilitation Act, and the amendments made thereto by H.R. 1385, the Employment, Training, and Literacy Enhancement Act of 1997 are Constitutional under the spending clause of the constitution, Article I section 8, clause 1.

APPLICATION OF LAW TO LEGISLATIVE BRANCH

Section 102(b)(3) of Public Law 104–1 requires a description of the application of this bill to the legislative branch. This bill provides funds to States for programs and services to eligible recipients; the bill does not prohibit legislative branch employees from otherwise being eligible for such services.

UNFUNDED MANDATE STATEMENT

Section 423 of the Congressional Budget & Impoundment Control Act requires a statement of whether the provisions of the reported bill include unfunded mandates. The Committee received a letter regarding unfunded mandates from the Director of the Congressional Budget Office and as such the Committee agrees that the bill does not contain any unfunded mandates. See infra.

BUDGET AUTHORITY AND CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

With respect to the requirement of clause 2(l)(3)(B) of rule XI of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974 and with respect to requirements of clause 2(l)(3)(C) of rule XI of the House of Representatives and section 403 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for H.R. 1385 from the Director of the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 8, 1997.

Hon. WILLIAM F. GOODLING,
Chairman, Committee on Education and the Workforce, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1385, the Education, Training, and Literacy Enhancement Act of 1997.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Deborah Kalcevic, Justin Latus, and Christina Hawley Sadoti.

Sincerely,

JAMES L. BLUM
(For June E. O'Neill, Director).

Enclosure.

H.R. 1385—Employment, Training, and Literacy Enhancement Act of 1997

SUMMARY

H.R. 1385 would restructure federal programs that provide grants to state and local governments for the provision of employment, training, literacy, and vocational rehabilitation services. The bill addresses these issues in two divisions. Division A of the bill would simplify the process by which states could apply for aid by requiring a single state plan for grants to fund employment service operations, literary programs, and job training for youth, adults, and dislocated workers. This portion of the bill also would eliminate the authorizations for a number of job training programs that currently receive no federal appropriation. Division B would extend the current authorizations for programs under the Vocational Rehabilitation Act (VRA) of 1973 and the Helen Keller National Center Act, but also would eliminate a number of the VRA programs that currently receive no federal appropriations. Because most of the programs under the VRA currently are classified as direct spending programs, pay-as-you-go procedures would apply.

Most of the authorizations provided in H.R. 1385 are for programs already authorized under current law and would have no net budgetary impact. The bill would, however, authorize appropriations for employment and training services for Native Americans, adult education programs, and vocational rehabilitation services above those provided under current law. Over the 1998–2002 period, these additional authorizations total $2.4 billion with adjustments for inflation and $2.3 billion without these adjustments.

H.R. 1385 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act of 1995 (UMRA).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 1385 is shown in the following table.

TABLE 1.—ESTIMATED COSTS TO THE FEDERAL GOVERNMENT OF H.R. 1385

[By fiscal year, in millions of dollars]

	1997	1998	1999	2000	2001	2002
SPENDING SUBJECT TO APPROPRIATION						
Spending under current law:[1]						
Budget authority/authorization level	4,865	4,622	4,749	4,876	5,008	5,144
Estimated outlays	4,856	4,954	4,740	4,768	4,880	5,012
Authorizations adjusted for inflation proposed changes:						
Estimated authorization level		445	485	496	506	503
Estimated outlays		54	371	475	494	494
Spending under H.R. 1385 including discretionary inflation:						
Estimated authorization level	4,865	5,067	5,234	5,373	5,514	5,647
Estimated outlays	4,856	5,009	5,110	5,243	5,374	5,505
Authorizations without adjustments for inflation proposed changes:						
Estimated authorization level		445	475	475	473	460
Estimated outlays		54	369	465	474	463
Spending under H.R. 1385 without discretionary inflation:						
Estimated authorization level	4,865	5,067	5,224	5,351	5,481	5,605
Estimated outlays	4,856	5,009	5,108	5,233	5,354	5,475

[1] The 1997 amount is the appropriation for that year.

Note.—Components may not sum to totals because of rounding.

The costs of this legislation fall within budget function 500 (education, training, employment, and social services).

BASIS OF ESTIMATE

H.R. 1385 would reorganize employment, training, literacy, and vocational rehabilitation programs. The bill has two divisions: Division A would authorize funding for employment and training programs for disadvantaged youth and adults, as well as adult education and literacy programs; Division B would authorize vocational rehabilitation programs.

Division A: Employment, training, and literacy programs

Division A of H.R. 1385 restructures employment, training, and literacy programs for adults and youth, but is estimated to provide higher authorized amounts only for services for Native Americans and for adult education programs. The increase in authorization levels for these two types of programs over the next five years (assuming inflation adjustments) is $50 million and $2.3 billion, respectively.

Division A would authorize grants to states to fund employment and training programs for youth and adults using the general framework of the Job Training Partnership Act (JTPA) and the Adult Education Act. H.R. 1385 would rename JTPA the "Employment, Training, and Literacy Enhancement Act" (ETLEA), and would replace the Adult Education Act with the Adult Education and Family Literacy Act (AEFLA). The bill would authorize "such sums as may be necessary" for fiscal years 1999–2003 for programs authorized under Titles II, III, IV, and for fiscal years 1998–2003 for programs authorized under Title V.

Under Title II of H.R. 1385, Title II of JTPA would be amended by striking the separate authorizations for adult and summer youth employment programs, leaving only programs for disadvantaged youth. Summer youth employment, however, would become an allowable activity under Title II of the ETLEA. For purposes of this estimate, CBO assumed that authorizations of appropriations for this title would be the same as the combined spending for youth programs under current law. The amounts adjusted for inflation would be just over $1 billion in fiscal year 1999, and about $4.3 billion over the fiscal years 1999–2002; without inflation adjustments, the 1999–2002 total would be $3.6 billion.

Adult employment and training programs would be authorized under Title III of this bill, along with a separate funding stream for services targeted toward dislocated workers. Title III of JTPA currently authorizes employment and training programs for dislocated workers only. CBO estimates that spending for adult workers would be the same as under the current JTPA program for adult training (JTPA Title II–A), or $0.9 billion in fiscal year 1999, and $3.9 billion over the fiscal years 1999–2002. Likewise, CBO assumes that authorized spending on training programs for dislocated workers would continue to be the same as for the current law program—$1.4 billion in fiscal year 1999, and nearly $5.6 billion over fiscal years 1999–2002, with adjustments for inflation. Without such adjustments, spending for these programs would be $1.3 billion in 1999 and $5.1 billion over the 1999–2002 period.

Title IV of H.R. 1385 would continue to follow the general framework of JTPA. It would authorize programs under the new ETLEA for services to Native Americans and migrants and seasonal farm workers in Part A, for the Job Corps (Part B), for veterans (Subtitle C), for national activities (Part D), and for labor market information (Part E). H.R. 1385 would authorize such sums as may be necessary for Parts B, C, D, and E, and not less than $70 million for each of the two programs authorized in Part A. CBO assumes that spending for these programs would be the same as under current law, with the exception of training programs for Native Americans, which would receive an increase of $15 million in fiscal year 1999, because this program currently is appropriated less than $70 million. (See Table 2.) Total funding for this title under H.R. 1385 is estimated at $1.4 billion for fiscal year 1999, and about $5.9 billion over fiscal years 1999–2002 assuming adjustments for inflation. Without inflation adjustments the spending during fiscal years 1999–2002 would total $5.4 billion.

TABLE 2.—DIVISION A: EMPLOYMENT, TRAINING, AND LITERACY PROGRAMS

[By fiscal year, in millions of dollars]

	1997	1998	1999	2000	2001	2002
SPENDING SUBJECT TO APPROPRIATION						
Spending under current law:						
Budget authority	4,863	4,622	4,749	4,876	5,008	5,144
Estimated outlays	4,854	4,954	4,740	4,768	4,880	5,012
Proposed changes including discretionary inflation:						
Title IV, federally administered programs:						
Estimated authorization level			15	13	12	10
Estimated outlays			2	14	13	11
Title V, adult education programs:						
Estimated authorization level		443	455	467	480	493
Estimated outlays		53	356	445	466	479
Proposed changes, total:						
Estimated authorization level		443	470	480	492	503
Estimated outlays		53	358	459	479	490
Spending under H.R. 1385 including discretionary inflation:						
Estimated authorization level	4,863	5,065	5,219	5,357	5,499	5,647
Estimated outlays	4,854	5,007	5,098	5,228	5,359	5,502
Proposed changes without discretionary inflation:						
Title IV, federally administered programs:						
Estimated authorization level			17	17	17	17
Estimated outlays			3	17	17	17
Title V, adult education programs:						
Estimated authorization level		443	443	443	443	443
Estimated outlays		53	355	434	443	443
Proposed changes, total:						
Estimated authorization level		443	460	460	460	460
Estimated outlays		53	358	451	460	460
Spending under H.R. 1385 without discretionary inflation:						
Estimated authorization level	4,863	4,065	5,210	5,337	5,468	5,605
Estimated outlays	4,854	5,007	5,097	5,219	5,340	5,472

Note.—Components may not sum to totals because of rounding.

Title IV also would repeal authorizations for some national programs, including the National Commission for Employment Policy, training to fulfill affirmative action obligations, Youth Fair Chance, microenterprise grants programs, and disaster relief employment assistance. These programs do not have a current appropriation, and no budgetary impact would result from their repeal.

Title V of H.R. 1385 would rewrite the adult education program law. The current Adult Education Act would be replaced with the Adult Education and Family Literacy Act (AEFLA). The new act would have a broader purpose, which would be to provide adults the basic educational skills necessary for employment and self-sufficiency, and to give parents educational skills needed "to be full partners in the educational development of their children."

Title V would authorize such sums as may be necessary to carry out the purposes of AEFLA for fiscal years 1998 through 2003. Part A of AEFLA would give the Secretary of Education authority to give grants to states for adult education and literacy, family literacy, and English literacy purposes. This part contains a hold-

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harmless clause that would ensure that a state's funding does not fall far below previous levels, as well as maintenance of effort requirements that states continue funding at historical levels.

Part B of AEFLA would rewrite current law governing activities of the National Institute for Literacy, but the institute would continue with essentially the same structure. The National Institute for Literacy is administered under an interagency agreement among the Departments of Labor, Education, and Health and Human Services, but is in a separate office. The duty of the institute is to provide leadership for the improvement and expansion of literacy programs.

Because H.R. 1385 would authorize such sums as necessary to carry out the purposes of AEFLA but does not list a specific amount as a starting point, it is difficult to ascertain Congressional intent for authorizations for this program. A wide variety of activities would be authorized under this title. CBO used current funding for adult education programs as a starting point and assumed that this title would authorize spending that would be 25 percent higher. This funding level is consistent with the caps on the two set-asides in this title for national leadership activities.

Programs under the Adult Education Act currently are authorized through 1997. CBO estimates that Title V would authorize appropriations of $443 million in 1998 and $2.3 billion over the 1998 through 2002 period, assuming adjustments for inflation. Authorizations of appropriations would total $2.2 billion over the same period without adjustments for inflation.

Title V would also repeal the National Literacy Act of 1991. Authorizations of appropriations for this act have expired, so repealing it would have no budgetary impact.

Division B: Vocational rehabilitation programs

Direct spending

H.R. 1385 would extend the "such sums" authorizations for existing programs under the Vocational Rehabilitation Act (VRA). Most of these programs are funded in the Rehabilitation Services and Disability budget account. Under Budget Enforcement Act (BEA) rules, the programs included in this budget account currently are classified as direct spending.

H.R. 1385 would make no substantive changes to any VRA program, and the CBO estimate shows no direct spending impacts as a result of the bill's enactment. However, since 1993, any bill that amends or extends any of these otherwise discretionary spending programs has been treated as negating the BEA categorization. The House Budget Committee staff has indicated that, upon enactment of H.R. 1385, spending for all VRA programs except the basic state grant program would be reclassified as "spending subject to appropriation" or discretionary spending. Subsequent baseline projections would include the reclassified programs in a discretionary spending budget account. This cost estimate, however, does not reflect such budget reclassifications. In fiscal year 1999, the first year the change would be effective, $305 million would be reclassified from direct spending to discretionary spending.

Most of the grant programs under the VRA are authorized at "such sums as may be necessary" through 1998 under the General Education Provisions Act (GEPA). GEPA provides an automatic one-year extension of authorization for all programs in the Department of Education. There are, however, two exceptions: the authorization for the basic state grant program expires at the end of 1999 (assuming the GEPA extension), and the improvement and evaluation grants are permanently authorized.

TABLE 3.—DIVISION B: VOCATIONAL REHABILITATION ACT AND THE HELEN KELLER NATIONAL CENTER

[By fiscal year, in millions of dollars]

	1997	1998	1999	2000	2001	2002
SPENDING SUBJECT TO APPROPRIATION						
Spending under current law:						
Budget authority	2	——	——	——	——	——
Estimated outlays	2	1	——	——	——	——
Proposed changes including discretionary inflation:						
The Vocational Rehabilitation Act:						
Estimated authorization level	——	2	8	8	6	——
Estimated outlays	——	1	5	8	7	1
Helen Keller National Center Act:						
Estimated authorization level	——	——	8	8	8	——
Estimated outlays	——	——	5	8	8	2
Proposed changes, total:						
Estimated authorization level	——	2	15	16	14	——
Estimated outlays	——	1	12	15	15	3
Spending under H.R. 1385 including discretionary inflation:						
Estimated authorization levels	2	2	15	16	14	——
Estimated outlays	2	2	12	15	15	3
Proposed changes without discretionary inflation:						
The Vocational Rehabilitation Act:						
Estimated authorization level	——	2	7	7	5	——
Estimated outlays	——	1	6	7	6	1
Helen Keller National Center Act:						
Estimated authorization level	——	——	7	7	7	——
Estimated outlays	——	——	6	7	7	2
Proposed changes, total:						
Estimated authorization level	——	2	14	14	13	——
Estimated outlays	——	1	12	14	13	3
Spending under H.R. 1385 without discretionary inflation:						
Estimated authorization levels	2	2	14	14	13	——
Estimated outlays	2	2	12	14	13	3

Note.—Components may not sum to totals because of rounding.

The authorization for the basic state grant program is extended through 2002 including the GEPA extension. The estimated authorization level for basic grants is the previous year's appropriation adjusted for inflation. The basic state grant program received a total of $2.18 billion in 1997.

For the client assistance grants under Title I and all the grants under Titles II through VII for which the authorization expires at the end of 1998, H.R. 1385 extends those "such sums" authorizations through 2001, including the GEPA extension. In 1997, these grant programs received appropriations totaling $286 million.

Spending subject to appropriations

Vocational Rehabilitation Act.—Title VIII of the VRA was added to the Act in the vocational Rehabilitation Amendments of 1992, and spending on the authorized activities were determined to be treated as discretionary rather than mandatory spending. Title VIII's "such sums" authorization for special demonstration projects expires at the end of fiscal year 1998, and H.R. 1385 extends these authorizations through 2001, including the GEPA extension. Although no Title VIII funds were appropriated in fiscal year 1997, the Secretary of Education used Title III direct spending funds for specific projects described in Title VIII. In 1997, about $5 million out of a total of $59 million for Title III demonstration projects were used for projects described in Title VIII. H.R. 1385 extends the authorization for appropriation only for those specific types of projects currently being funded out of Title III funds. the estimated authorization levels for Title VIII in this cost estimate reflect the levels currently funded in Title III both with and without adjustments for projected inflation. Estimated outlays reflect current program spending patterns.

The "such sums" authorization for the National Council on Disability expires at the end of fiscal year 1997. This bill extends the "such sums" authorization of the council through 2000. The council has been funded at about $2 million annually for the past several years, and this cost estimate reflects the 1997 appropriation level with and without adjustments for projected inflation. Estimated outlays reflect current program spending patterns.

The bill also would eliminate the authorization for appropriations for all unfunded VRA programs.

Helen Keller National Center Act.—The current authorization for the Helen Keller National Center Act expires at the end of 1998. H.R. 1385 would extend the "such sums" authorization for the center through 2001, including the GEPA extension.

The center is funded in the Rehabilitation Services and Disability Research budget account and, thus, currently is classified as direct spending. However, unlike the VRA grant programs, this program is not included in the current baseline spending projections after 1998 because the BEA stipulates that direct spending programs of less than $50 million shall not be included in the baseline forecast past their expiration dates. The center received funding of $7 million in 1997. The estimated authorization level for the center is the 1997 funding level both with and without projected inflation. Estimated outlays reflect current program spending patterns.

PAY-AS-YOU-GO CONSIDERATIONS

H.R. 1385 would not result in any change in direct spending or receipts in fiscal year 1998.

INTERGOVERNMENTAL IMPACT

H.R. 1385 contains no intergovernmental mandates as defined in UMRA. The bill would restructure federal programs that provide grants to state and local governments for employment, training, literacy, and vocational rehabilitation services. Because participation in these programs is voluntary, the new conditions and requirements imposed on state and local governments would not be considered mandates under UMRA. In fiscal year 1997, state, local, and tribal governments will receive approximately $6.0 billion in grants from the programs reauthorized in the bill. CBO estimates that under H.R. 1385, such grants would total $6.3 billion in fiscal year 1998 and $33.2 billion over fiscal years 1998–2002.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

The bill would impose no new private sector mandates as defined in UMRA.

Estimate prepared by: Federal Cost: Deborah Kalcevic, Justin Latus, and Christina Hawley Sadoti; Impact on State, Local, and Tribal Governments: Marc Nicole; Impact on the Private Sector: Theresa Devine.

Estimate approved by: Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.

ROLLCALL VOTES

ROLL CALL 1 **BILL** H.R. 1385 **DATE** April 30, 1997
AMENDMENT NUMBER 5 **PASSED** 20 - 15
SPONSOR/AMENDMENT Mr. Schaffer and Ms. Woolsey / Amendment to require that all funds sent to States under this Act be subject to appropriation by State Legislature.

MEMBER	AYE	NO	PRESENT	NOT VOTING
Mr. GOODLING, Chairman		X		
Mr. PETRI, Vice Chairman		X		
Mrs. ROUKEMA				X
Mr. FAWELL		X		
Mr. BALLENGER		X		
Mr. BARRETT		X		
Mr. HOEKSTRA		X		
Mr. McKEON		X		
Mr. CASTLE		X		
Mr. JOHNSON		X		
Mr. TALENT	X			
Mr. GREENWOOD				X
Mr. KNOLLENBERG				X
Mr. RIGGS		X		
Mr. GRAHAM				X
Mr. SOUDER	X			
Mr. McINTOSH	X			
Mr. NORWOOD				X
Mr. PAUL	X			
Mr. SCHAFFER	X			
Mr. PETERSON	X			
Mr. UPTON		X		
Mr. DEAL		X		
Mr. HILLEARY		X		
Mr. SCARBOROUGH	X			
Mr. CLAY	X			
Mr. MILLER				X
Mr. KILDEE	X			
Mr. MARTINEZ	X			
Mr. OWENS	X			
Mr. PAYNE	X			
Mrs. MINK		X		
Mr. ANDREWS	X			
Mr. ROEMER		X		
Mr. SCOTT	X			
Ms. WOOLSEY	X			
Mr. ROMERO-BARCELO				X
Mr. FATTAH				X
Mr. HINOJOSA	X			
Mrs. McCARTHY	X			
Mr. TIERNEY	X			
Mr. KIND				X
Ms. SANCHEZ				X
Mr. FORD	X			
Mr. KUCINICH	X			
TOTALS	20	15		10

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CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

JOB TRAINING PARTNERSHIP ACT

AN ACT To provide for a job training program and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

[SHORT TITLE; TABLE OF CONTENTS

[SECTION 1. This Act may be cited as the "Job Training Partnership Act".

[Sec. 1. Short title; table of contents.
[Sec. 2. Statement of purpose.
[Sec. 3. Authorization of appropriations.
[Sec. 4. Definitions.

[TITLE I—JOB TRAINING PARTNERSHIP

[PART A—SERVICE DELIVERY SYSTEM

[Sec. 101. Establishment of service delivery areas.
[Sec. 102. Establishment of private industry council.
[Sec. 103. Functions of private industry council.
[Sec. 104. Job training plan.
[Sec. 105. Review and approval of plan.
[Sec. 106. Performance standards.
[Sec. 107. Selection of service providers.
[Sec. 108. Limitation on certain costs.
[Sec. 109. Recapture and reallotment of unobligated funds.

[PART B—ADDITIONAL STATE RESPONSIBILITIES

[Sec. 121. Governor's coordination and special services plan.
[Sec. 122. State job training coordinating council.
[Sec. 123. State education coordination and grants.
[Sec. 124. Identification of additional imposed requirements.
[Sec. 125. State labor market information programs.
[Sec. 126. Authority of State legislature.
[Sec. 127. Interstate agreements.

[PART C—PROGRAM REQUIREMENTS FOR SERVICE DELIVERY SYSTEM

[Sec. 141. General program requirements.
[Sec. 142. Benefits.
[Sec. 143. Labor standards.
[Sec. 144. Grievance procedure.
[Sec. 145. Prohibition against Federal control of education.

[PART D—FEDERAL AND FISCAL ADMINISTRATIVE PROVISIONS

[Sec. 161. Program year.
[Sec. 162. Prompt allocation of funds.
[Sec. 163. Monitoring.
[Sec. 164. Fiscal controls; sanctions.
[Sec. 165. Reports, recordkeeping, and investigations.
[Sec. 166. Administrative adjudication.
[Sec. 167. Nondiscrimination.
[Sec. 168. Judicial review.
[Sec. 169. Administrative provisions.
[Sec. 170. Utilization of services and facilities.
[Sec. 171. Obligational authority.

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[Sec. 172. Presidential awards for outstanding private sector involvement in job training programs.
[Sec. 173. Construction.

[PART E—MISCELLANEOUS PROVISIONS

[Sec. 182. Criminal provisions.
[Sec. 183. Reference.
[Sec. 184. Repealers.

[TITLE II—TRAINING SERVICES FOR THE DISADVANTAGED

[PART A—ADULT TRAINING PROGRAM

[Sec. 201. Statement of purpose.
[Sec. 202. Allotment and allocation.
[Sec. 203. Eligibility for services.
[Sec. 204. Program design.
[Sec. 205. Linkages.
[Sec. 206. Transfer of funds.

[PART B—SUMMER YOUTH EMPLOYMENT AND TRAINING PROGRAMS

[Sec. 251. Purpose.
[Sec. 252. Authorization of appropriations; allotment and allocation.
[Sec. 253. Use of funds.
[Sec. 254. Limitations.
[Sec. 255. Applicable provisions.
[Sec. 256. Transfer of funds.

[PART C—YOUTH TRAINING PROGRAM

[Sec. 261. Statement of purpose.
[Sec. 262. Allotment and allocation.
[Sec. 263. Eligibility for services.
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[STATEMENT OF PURPOSE

[SEC. 2. It is the purpose of this Act to establish programs to prepare youth and adults facing serious barriers to employment for participation in the labor force by providing job training and other services that will result in increased employment and earnings, increased educational and occupational skills, and decreased welfare dependency, thereby improving the quality of the work force and enhancing the productivity and competitiveness of the Nation.

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 3. (a)(1) There are authorized to be appropriated to carry out parts A and C of title II such sums as may be necessary for fiscal year 1993 and for each succeeding fiscal year. Of the sums appropriated to carry out parts A and C of title II for each such fiscal year, an amount not less than 40 percent of such sums shall be made available to carry out part A of such title and an amount not less than 40 percent of such sums shall be made available to carry out part C of such title.

[(2) There are authorized to be appropriated to carry out part B of title II such sums as may be necessary for fiscal year 1993 and for each succeeding fiscal year.

[(b) There are authorized to be appropriated to carry out title III (other than section 326 thereof)—

[(1) $980,000,000 for fiscal year 1989; and

[(2) such sums as may be necessary for each succeeding fiscal year.

[(c)(1) There are authorized to be appropriated to carry out parts A, C, D, E, F, and G of title IV for fiscal year 1993 and each succeeding fiscal year an amount equal to not more than 7 percent of the total amount appropriated to carry out this Act for each such fiscal year.

[(2) From the amount appropriated under paragraph (1) for any fiscal year, the Secretary—

[(A) shall first reserve—

[(i) an amount of not less than 3.3 percent of the amount available for parts A and C of title II for such fiscal year to carry out section 401; and

[(ii) an amount of not less than 3.2 percent of the amount available for parts A and C of title II for such fiscal year to carry out section 402; and

[(B) after making such reservations, shall reserve—

[(i) an amount equal to 7 percent of the amount appropriated under paragraph (1) to carry out part C of title IV;

[(ii) $15,000,000 to carry out section 453, of which—

[(I) not less than 20 percent shall be used to carry out section 453(b);

[(II) not less than 20 percent shall be used to carry out section 453(c); and

[(III) $1,000,000 shall be used to carry out section 453(d);

[(iii) $6,000,000 to carry out subsections (e) and (f) of section 462; and

[(iv) $2,000,000 to carry out part F of title IV.

[(3) There are authorized to be appropriated to carry out part H of title IV $100,000,000 for fiscal year 1993 and such sums as may be necessary for each of the fiscal years 1994 through 1997.

[(4) There are authorized to be appropriated to carry out part I of title IV $5,000,000 for each of the fiscal years 1993 through 1997.

[(5) There are authorized to be appropriated to carry out part J of title IV, $15,000,000 for fiscal year 1993 and such sums as may be necessary for each succeeding fiscal year.

[(d) There are authorized to be appropriated $618,000,000 for fiscal year 1983, and such sums as may be necessary for each succeeding fiscal year, to carry out part B of title IV of this Act.

[(e) There are authorized to be appropriated for each of fiscal years 1990 through 1996 such sums as may be necessary to carry out title V.

[(f) The authorizations of appropriations contained in this section are subject to the program year provisions of section 161.]

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Employment, Training, and Literacy Enhancement Act".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Statement of purpose.
Sec. 3. Authorization of appropriations.
Sec. 4. Definitions.

TITLE I—STATE AND LOCAL ADMINISTRATIVE PROVISIONS

PART A—STATE ADMINISTRATIVE PROVISIONS

Sec. 101. State plan.

Sec. 102. Collaborative process.
Sec. 103. State Human Resource Investment Council.

PART B—LOCAL ADMINISTRATIVE PROVISIONS

Sec. 121. Local workforce development areas.
Sec. 122. Local workforce development boards.
Sec. 123. Full service employment and training delivery system.
Sec. 124. Identification of training providers.

PART C—PROGRAM AND FISCAL PROVISIONS

SUBPART 1—GENERAL PROVISIONS

Sec. 141. General program requirements.
Sec. 142. Benefits.
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Sec. 146. Identification of additional imposed requirements.
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Sec. 151. Performance accountability system.
Sec. 152. Indicators of performance.
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Sec. 155. Report on performance.
Sec. 156. Incentive grants and sanctions.

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Sec. 161. Program year.
Sec. 162. Prompt allocation of funds.
Sec. 163. Monitoring.
Sec. 164. Fiscal controls; sanctions.
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Sec. 182. Enforcement of Military Selective Service Act.

TITLE II—DISADVANTAGED YOUTH EMPLOYMENT AND TRAINING OPPORTUNITIES GRANTS

Sec. 201. Statement of purpose.
Sec. 202. Authorization.
Sec. 203. Allotment and allocation among States.
Sec. 204. Allocation within States.
Sec. 205. Eligibility for services.
Sec. 206. Use of funds.
Sec. 207. Selection of service providers.
Sec. 208. Linkages.

TITLE III—ADULT EMPLOYMENT AND TRAINING OPPORTUNITIES GRANTS

Sec. 301. Purpose.

PART A—ADULT EMPLOYMENT AND TRAINING OPPORTUNITIES GRANTS

Sec. 311. Authorization.
Sec. 312. Allotment among States.
Sec. 313. Allocation within States.
Sec. 314. Use of amounts.

PART B—NATIONAL PROGRAMS

Sec. 321. National emergency grants.
Sec. 322. Skill upgrading projects in enterprise zones or empowerment communities.

TITLE IV—FEDERALLY ADMINISTERED PROGRAMS

PART A—EMPLOYMENT AND TRAINING PROGRAMS FOR NATIVE AMERICANS AND MIGRANT AND SEASONAL FARMWORKERS

Sec. 401. Native American programs.
Sec. 402. Migrant and seasonal farmworker program.

PART B—JOB CORPS

Sec. 421. Statement of purpose.
Sec. 422. Establishment of the Job Corps.
Sec. 423. Individuals eligible for the Job Corps.
Sec. 424. Screening and selection of applicants: general provisions.
Sec. 425. Screening and selection: special limitations.
Sec. 426. Enrollment and assignment.
Sec. 427. Job Corps centers.
Sec. 428. Program activities.
Sec. 429. Allowances and support.
Sec. 430. Standards of conduct.
Sec. 431. Community participation.
Sec. 432. Counseling and job placement.
Sec. 433. Experimental and developmental projects and coordination with other programs.
Sec. 433A. Job Corps centers for homeless families.
Sec. 434. Advisory boards and committees.
Sec. 435. Participation of the States.
Sec. 436. Application of provisions of Federal law.
Sec. 437. Special provisions.
Sec. 438. General provisions.
Sec. 439. Donations.

PART C—VETERANS' EMPLOYMENT PROGRAMS

Sec. 441. Authorization of programs.

PART D—NATIONAL ACTIVITIES

Sec. 451. Research, demonstration, evaluation, and capacity building.
Sec. 452. Incentive grants.
Sec. 453. Uniform reporting requirements.

PART E—LABOR MARKET INFORMATION

Sec. 461. Labor market information; availability of funds.
Sec. 462. Cooperative labor market information program.
Sec. 463. Special federal responsibilities.
Sec. 464. National Occupational Information Coordinating Committee.
Sec. 465. Job bank program.
Sec. 466. State job bank systems.
Sec. 467. State labor market information programs.

SEC. 2. STATEMENT OF PURPOSE.

The purpose of this Act is to transform the current array of Federal employment, training, and adult education and literacy programs from a collection of fragmented and duplicative categorical programs into high quality, coherent, and accountable State and local systems that are designed—

(1) to provide high quality training for today and for the 21st century;

(2) to empower individuals to choose occupations and training programs, based on accurate and up-to-date information, that will develop more fully their academic, occupational, and literacy skills, leading to productive employment and economic self-sufficiency, and reduction in welfare dependency;

(3) to provide resources and authority to States and local communities and increase ease of access to high quality employment, training, and literacy programs;

(4) to provide adults with the adult education services they require to participate fully in society;

(5) to meet the needs of employers in the United States to be competitive; and

(6) to ensure an adequate return on the investment of funds in employment, training, and literacy programs through strong program accountability.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated the following amounts for the following purposes (in addition to amounts otherwise available for such purposes):

(1) TITLE II.—Such sums as may be necessary for each of the fiscal years 1999 through 2003 to carry out title II.

(2) TITLE III.—(A) Such sums as may be necessary for each of the fiscal years 1999 through 2003 to carry out section 312(a)(1).

(B) Such sums as may be necessary for each of the fiscal years 1999 through 2003 to carry out section 312(a)(2).

(3) PARTS A, C, D, AND E OF TITLE IV.—Subject to subsection (b), such sums as may be necessary for each of the fiscal years 1999 through 2003 to carry out parts A, C, D, and E of title IV.

(4) PART B OF TITLE IV.—Such sums as may be necessary for each of the fiscal years 1999 through 2003 to carry out part B of title IV.

(b) RESERVATIONS.—Of the amount appropriated under subsection (a)(3) for a fiscal year—

(1) not less than $70,000,000 shall be reserved for carrying out section 401;

(2) not less than $70,000,000 shall be reserved for carrying out section 402; and

(3) the remainder shall be reserved for carrying out parts C, D, and E of title IV.

(c) REALLOTMENT.—

(1) IN GENERAL.—The Secretary of Labor shall, in accordance with this subsection, reallot to eligible States amounts appropriated for programs authorized under titles II and title III of this Act that are available for reallotment.

(2) AMOUNT.—The amount available for reallotment is equal to the amount by which the unobligated balance of the State allotment under title II or title III, respectively, at the end of the program year prior to the program year for which the determination under this paragraph is made exceeds 15 percent of such allotment for the prior program year.

(3) REALLOTMENT.—In making reallotments to eligible States of amounts available pursuant to paragraph (2) for a program year, the Secretary shall allot to each eligible State an amount based on the relative amount allotted to such State under title II or title III, respectively, for the prior program year as compared to the total amount allotted to all eligible States under title II or title III, respectively, for such prior program year.

(4) ELIGIBILITY.—For purposes of this subsection, an eligible State means a State which has obligated at least 85 percent of its allotments under title II or title III, respectively, for the program year prior to the program year for which the determination under this subsection is made.

(5) PROCEDURES.—The Governor of each State shall prescribe uniform procedures for the obligation of funds by workforce development areas within the State in order to avoid the requirement that funds be made available for reallotment under this subsection. The Governor shall further prescribe equitable procedures for making funds available from the State and workforce development areas in the event that a State is required to make funds available for reallotment under this paragraph.

[DEFINITIONS

[SEC. 4. For the purposes of this Act, the following definitions apply:

[(1) The term "academic credit" means credit for education, training, or work experience applicable toward a secondary school diploma, a postsecondary degree, or an accredited certificate of completion, consistent with applicable State law and regulation and the requirements of an accredited educational agency or institution in a State.

[(2) The term "administrative entity" means the entity designated to administer a job training plan under section 103(b)(1)(B).]

SEC. 4. DEFINITIONS.

As used in this Act, the following definitions apply:

(1) ADULT EDUCATION AND LITERACY ACTIVITIES.—The term "adult education and literacy activities" means the activities authorized under section 314 of the Adult Education and Family Literacy Act.

(2) APPROPRIATE SECRETARY.—The term "appropriate Secretary" means—

(A) the Secretary of Labor, with respect to programs authorized under titles II, III, and IV of this Act; and

(B) the Secretary of Education, with respect to programs authorized under the Adult Education and Family Literacy Act.

(3) [The term] *AREA OF SUBSTANTIAL UNEMPLOYMENT.—The term* "area of substantial unemployment" means any area of sufficient size and scope to sustain programs [under parts A and C of title II] *under title II and title III* of this Act and which has an average rate of unemployment of at least 6.5 percent for the most recent twelve months as determined by the Secretary. Determinations of areas of substantial unemployment shall be made once each fiscal year.

[(4) The term "chief elected official" includes—

[(A) in the case of a State, the Governor;

[(B) in the District of Columbia, the mayor; and

[(C) in the case of a service delivery area designated under section 101(a)(4)(A)(iii), the governing body.

[(5) The term "community-based organizations" means private nonprofit organizations which are representative of communities or significant segments of communities and which provide job training services (for example, Opportunities Industrialization Centers, the National Urban League, SER-Jobs for Progress, United Way of America, Mainstream, the National Puerto Rican Forum, National Council of La Raza, 70,001, Jobs for Youth, the Association of Farmworker Opportunity Programs, the Center for Employment Training, literacy organizations, agencies or organizations serving older individuals, organizations that provide service opportunities, youth corps programs, organizations operating career intern programs, neighborhood groups and organizations, community action agencies, community development corporations, vocational rehabilitation organizations, rehabilitation facilities (as defined in section 7(10) of the Rehabilitation Act of 1973), agencies serving youth, agencies serving individuals with disabilities, including disabled veterans, agencies serving displaced homemakers, union-related organizations, and employer-related nonprofit organizations), and organizations serving nonreservation Indians, as well as tribal governments and Native Alaskan groups.

[(6) Except as otherwise provided therein, the term "council" means the private industry council established under section 102.]

[(31) The term] *(4) BASIC SKILLS DEFICIENT.—The term* "basic skills deficient" means, with respect to an individual, that the individual has English reading or computing skills at or below the 8th grade level on a generally accepted standardized test or a comparable score on a criterion-referenced test.

[(32) The term] *(5) CASE MANAGEMENT.—The term* "case management" means the provision of a client-centered approach in the delivery of services, designed to—

(A) prepare and coordinate comprehensive employment plans, such as service strategies, for participants to ensure access to the necessary training and supportive services, using, where feasible, computer-based technologies; and

(B) provide job and career counseling during program participation and after job placement.

(6) CHIEF ELECTED OFFICIAL.—The term "chief elected official" means the chief elected executive officer of a unit of general local government in a workforce development area.

[(33) The term] *(7) CITIZENSHIP SKILLS.—The term* "citizenship skills" means skills and qualities, such as teamwork, problem-solving ability, self-esteem, initiative, leadership, commitment to life-long learning, and an ethic of civic responsibility, that are characteristic of productive workers and good citizens.

(8) COMMUNITY-BASED ORGANIZATION.—The term "community-based organization" means a private nonprofit organization that is representative of a community or a significant segment of a community and that has demonstrated the ability, or that can demonstrate a capacity, to effectively administer a program under this Act.

(9) DISLOCATED WORKER.—The term "dislocated worker" means an individual who—

(A)(i) has been terminated or laid off, or who has received a notice of termination or layoff, from employment;

(ii) is eligible for or has exhausted entitlement to unemployment compensation; and

(iii) is unlikely to return to a previous industry or occupation;

(B) has been terminated or laid off, or has received a notice of termination or layoff, from employment as a result of any permanent closure of, or and substantial layoff at, a plant, facility, or enterprise;

(C) was self-employed (including a farmer and a rancher) but is unemployed as a result of general economic conditions in the community in which the individual resides or because of natural disasters;

(D) is a displaced homemaker; or

(E) has become unemployed as a result of a Federal action that limits the use of, or restricts access to, a marine natural resource.

[(29) The term] *(10) DISPLACED HOMEMAKER.—The term* "displaced homemaker" means an individual who has been providing unpaid services to family members in the home and who—

(A) has been dependent either—

(i) on public assistance and whose youngest child is within 2 years of losing eligibility under part A of title IV of the Social Security Act; or

(ii) on the income of another family member but is no longer supported by that income; and

(B) is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment.

[(7) The term] *(11) ECONOMIC DEVELOPMENT AGENCIES.—The term* "economic development agencies" includes local planning and zoning commissions or boards, community development agencies, and other local agencies and institutions responsible for regulating, promoting, or assisting in local economic development.

[(8) The term] *(12) ECONOMICALLY DISADVANTAGED.—The term* "economically disadvantaged" means an individual who (A) receives, or is a member of a family which receives, cash welfare payments under a Federal, State, or local welfare program; (B) has, or is a member of a family which has, received a total family income for the six-month period prior to application for the program involved (exclusive of unemployment compensation, child support payments, and welfare payments) which, in relation to family size, was not in excess of the higher of (i) the official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902(2)), or (ii) 70 percent of the lower living standard income level; (C) is receiving (or has been determined within the 6-month period prior to the application for the program involved to be eligible to receive) food stamps pursuant to the Food Stamp Act of 1977; (D) qualifies as a homeless individual under subsections (a) and (c) of section 103 of the Stewart B. McKinney Homeless Assistance Act; (E) is a foster child on behalf of whom State or local government payments are made; or (F) in cases permitted by regulations of the Secretary, is an individual with a disability whose own income meets the requirements of clause (A) or (B), but who is a member of a family whose income does not meet such requirements.

(13) EMPLOYMENT, TRAINING AND LITERACY PROGRAMS.—The term "employment, training and literacy programs" means programs authorized under titles II and III of this Act and the Adult Education and Family Literacy Act.

(14) ENGLISH LITERACY PROGRAM.—The term "English literacy program" means a program of instruction designed to help individuals of limited English proficiency achieve full competence in the English language.

[(34) The term**]** *(15) FAMILY.—The term* "family" means two or more persons related by blood, marriage, or decree of court, who are living in a single residence, and are included in one or more of the following categories:

(A) A husband, wife, and dependent children.

(B) A parent or guardian and dependent children.

(C) A husband and wife.

(16) FAMILY LITERACY SERVICES.—The term "family literacy services" means services that are of sufficient intensity in terms of hours, and of sufficient duration, to make sustainable changes in a family and that integrate all of the following activities:

(A) Interactive literacy activities between parents and their children.

(B) Training for parents on how to be the primary teacher for their children and full partners in the education of their children.

(C) Parent literacy training that leads to economic self-sufficiency.

(D) An age-appropriate education to prepare children for success in school and life experiences.

(17) FULL SERVICE ELIGIBLE PROVIDERS.—The term "full service eligible provider" means a provider designated under section 123(c).

[(9) The term**]** *(18) GOVERNOR.—The term* "Governor" means the chief executive of any State.

(19) HUMAN RESOURCE PROGRAMS.—The term "human resource programs" means programs identified under section 103.

(20) INDIVIDUAL OF LIMITED ENGLISH PROFICIENCY.—The term "individual of limited English proficiency" means an individual—

(A) who has limited ability in speaking, reading, or writing the English language; and

(B)(i) whose native language is a language other than English; or

(ii) who lives in a family or community environment where a language other that English is the dominant language.

[(10)(A) The term "individual with a disability" means any individual who has a physical or mental disability which for such individual constitutes or results in a substantial handicap to employment.

[(B) The term "individuals with disabilities" means more than one individual with a disability.

[(11) The term "Hawaiian native" means any individual any of whose ancestors were natives, prior to 1778, of the area which now comprises the State of Hawaii.]

(21) INDIVIDUAL WITH A DISABILITY.—(A) The term "individual with a disability" means an individual with any disability (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)).

(B) The term "individuals with disabilities" means more than one individual with a disability.

[(12) The term] *(22) INSTITUTION OF HIGHER EDUCATION.—The term* "institution of higher education" means any institution of higher education as that term is defined in section 1201(a) of the Higher Education Act of 1965.

[(13) The term] *(23) LABOR MARKET AREA.—The term* "labor market area" means an economically integrated geographic area within which individuals can reside and find employment within a reasonable distance or can readily change employment without changing their place of residence. Such areas shall be identified in accordance with criteria used by the Bureau of Labor Statistics of the Department of Labor in defining such areas or similar criteria established by a Governor.

(24) LITERACY.—The term "literacy" used with respect to an individual, means the ability of the individual to speak, read, and write English, and compute and solve problems, at levels of proficiency necessary—

(A) to function on the job, in the family of the individual, and in society;

(B) to achieve the goals of the individual; and

(C) to develop the knowledge potential of the individual.

(25) LOCAL BENCHMARKS.—The term "local benchmarks" means the expected level of performance of a local workforce development area established pursuant to section 153(b).

(26) LOCAL BOARD.—The term "local board" means a local workforce development board established under section 122.

[(14) The term] *(27) LOCAL EDUCATIONAL AGENCY.—The term* "local educational agency" means such an agency as defined in [section 521(22) of the Carl D. Perkins Vocational Education Act] *section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).*

(28) LOCAL WORKFORCE DEVELOPMENT AREA.—The term "local workforce development area" means an area designated under section 121(a).

[(15) The term] *(29) LOW-INCOME LEVEL.—The term* "low-income level" means $7,000 with respect to income in 1969, and for any later year means that amount which bears the same relationship to $7,000 as the Consumer Price Index for that year bears to the Consumer Price Index for 1969, rounded to the nearest $1,000.

[(16) The term**]** *(30) LOWER LIVING STANDARD INCOME LEVEL.—The term* "lower living standard income level" means that income level (adjusted for regional, metropolitan, urban, and rural differences and family size) determined annually by the Secretary based on the most recent "lower living family budget" issued by the Secretary.

[(30) The term**]** *(31) NONTRADITIONAL EMPLOYMENT.—The term* "nontraditional employment" as applied to women refers to occupations or fields of work where women comprise less than 25 percent of the individuals employed in such occupation or field of work.

[(17) The term**]** *(32) OFFENDER.—The term* "offender" means any adult or juvenile who is or has been subject to any stage of the criminal justice process for whom services under this Act may be beneficial or who requires assistance in overcoming artificial barriers to employment resulting from a record of arrest or conviction.

(33) ON-THE-JOB TRAINING.—The term "on-the-job training" means training by an employer that is provided to a paid participant while engaged in productive work in a job that—

(A) provides knowledge or skills essential to the full and adequate performance of the job;

(B) provides reimbursement to employers of up to 50 percent of the wage rate of the participant, for the extraordinary costs of providing the training and additional supervision related to the training; and

(C) is limited in duration as appropriate to the occupation for which the participant is being trained, taking into account the content of the training, the prior work experience of the participant, and the service strategy of the participant, as appropriate.

(34) OUTLYING AREA.—The term "outlying area" means the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

[(35) The term "hard-to-serve individual" means an individual who is included in one or more of the categories described in section 203(b) or subsection (b) or (d) of section 263.

[(36) The term "JOBS" means the Job Opportunities and Basic Skills Training Program authorized under part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.).**]**

[(37) The term**]** *(35) PARTICIPANT.—The term* "participant" means an individual who has been determined to be eligible to participate in and who is receiving services (except **[**post-termination services authorized under sections 204(c)(4) and 264(d)(5) and follow up services authorized under section 253(d)**]** *follow up services authorized under this Act*) under a program authorized by this Act. Participation shall be deemed to commence on the first day, following determination of eligibility, on which the participant began receiving subsidized employment, training, or other services provided under this Act.

[(18) The term**]** *(36) POSTSECONDARY INSTITUTION.—The term* "postsecondary institution" means an institution of higher education [as that term is defined in section 481(a)(1) of the Higher Education Act of 1965.] *(as such term is defined in section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088)) that continues to meet the eligibility and certification requirements under title IV of such Act (20 U.S.C. 1070 et seq.).*

[(19) The term "private sector" means, for purposes of the State job training councils and private industry councils, persons who are owners, chief executives or chief operating officers of private for-profit employers and major nongovernmental employers, such as health and educational institutions or other executives of such employers who have substantial management or policy responsibility.]

[(20) The term] *(37) PUBLIC ASSISTANCE.—The term* "public assistance" means Federal, State, or local government cash payments for which eligibility is determined by a needs or income test.

[(21) The term "Secretary" means the Secretary of Labor.

[(22) The term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, American Samoa, the Federated States of Micronesia, the Republic of the Marshall Islands, and Palau.]

(38) RAPID RESPONSE ASSISTANCE.—The term "rapid response assistance" means assistance provided by a State, or by an entity designated by a State, with funds provided by the State under section 313(a)(2) in the case of a permanent closure or mass layoff at a plant, facility, or enterprise, or a natural or other disaster, that results in mass job dislocation, in order to assist dislocated workers in obtaining reemployment as soon as possible, with services including—

(A) the establishment of onsite contact with employers and employee representatives—

(i) immediately after the State is notified of a current or projected permanent closure or mass layoff; or

(ii) in the case of a disaster, immediately after the State is made aware of mass job dislocation as a result of such disaster;

(B) the provision of information and access to available employment and training activities;

(C) assistance in establishing voluntary labor management committees with the ability to devise and implement a strategy for assessing the employment and training needs of dislocated workers and obtaining services to meet those needs;

(D) the provision of emergency assistance adapted to the particular closure, layoff, or disaster; and

(E) the provision of assistance to the local community in developing a coordinated response and in obtaining access to State economic development assistance.

(39) REPRESENTATIVES OF EMPLOYEES.—For purposes of section 122, the term "representatives of employees" means—

(A) individuals who have been elected by organizations, associations, or a network of similar institutions to represent the economic interests of employees at a significant

segment of workplaces located in, or adjacent to, the local workforce development area; or

(B) individuals from organizations, associations, or a network of similar institutions, with expertise to represent, or experience representing, the interests of employees with respect to the job training priorities in the local workforce development area.

[(38) The term] *(40) SCHOOL DROPOUT.—The term* "school dropout" means an individual who is no longer attending any school and who has not received a secondary school diploma or a certificate from a program of equivalency for such a diploma.

(41) SECRETARIES.—The term "Secretaries" means the Secretary of Labor and the Secretary of Education.

(42) SKILL GRANT.—The term "skill grant" means a voucher or credit issued to a participant under section 314(c)(6)(A) for the purchase of training services from eligible providers of such services.

(43) STATE.—The term "State" means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

(44) STATE ADJUSTED BENCHMARKS.—The term "state adjusted benchmarks" means a state's expected levels of performance established pursuant to 153(a).

(45) STATE BENCHMARK.—The term "State benchmark" means the benchmarks established by the state pursuant to section 152(a).

[(23) The term] *(46) STATE EDUCATIONAL AGENCY.—The term* "State educational agency" means such an agency as defined in section 14101 of the Elementary and Secondary Education Act of 1965.

[(24) The term "supportive services" means services which are necessary to enable an individual eligible for training under this Act, but who cannot afford to pay for such services, to participate in a training program funded under this Act. Such supportive services may include transportation, health care, financial assistance (except as a post-termination service), drug and alcohol abuse counseling and referral, individual and family counseling, special services, and materials for individuals with disabilities, job coaches, child care and dependent care, meals, temporary shelter, financial counseling, and other reasonable expenses required for participation in the training program and may be provided in-kind or through cash assistance.]

(47) STATEWIDE SYSTEM.—The term "statewide system" means a statewide employment and training and literacy system that includes programs authorized under titles II and III of this Act and the Adult Education and Family Literacy Act.

(48) SUPPORTIVE SERVICES.—The term "supportive services" means services such as transportation, child care, dependent care, and needs-based payments, that are necessary to enable an individual to participate in programs authorized under title II and title III of this Act, consistent with the provisions of such titles.

[(39) The term] *(49) Termination.—The term* "termination" means the separation of a participant who is no longer receiving services (except post-termination services authorized under sections 204(c)(4) and 264(d)(5) and followup services authorized under section 253(d)) under a program authorized by this Act.

[(25) The term] *(50) Unemployed individuals.—The term* "unemployed individuals" means individuals who are without jobs and who want and are available for work. The determination of whether individuals are without jobs shall be made in accordance with the criteria used by the Bureau of Labor Statistics of the Department of Labor in defining individuals as unemployed.

[(26) The term] *(51) Unit of general local government.—The term* "unit of general local government" means any general purpose political subdivision of a State which has the power to levy taxes and spend funds, as well as general corporate and police powers.

[(27)(A) The term "veteran" means an individual who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable.

[(B) The term "disabled veteran" means (i) a veteran who is entitled to compensation under laws administered by the Secretary of Veterans Affairs, or (ii) an individual who was discharged or released from active duty because of service-connected disability.

[(C) The term "recently separated veteran" means any veteran who applies for participation under any title of this Act within 48 months of the discharge or release from active military, naval, or air service.

[(D) The term "Vietnam era veteran" means a veteran any part of whose active military service occurred between August 5, 1964, and May 7, 1975.]

(52) Veteran.—The term "veteran" has the meaning given such term in section 101(2) of title 38, United States Code.

[(28) The term] *(53) Vocational education.—The term* "vocational education" has the meaning provided in section 521(41) of the Carl D. Perkins Vocational Education Act.

[(40) The term] *(54) Youth corps program.—The term* "youth corps program" means a program, such as a conservation corps or youth service program, that offers productive work with visible community benefits in a natural resource or human service setting and that gives participants a mix of work experience, basic and life skills, education, training, and supportive services.

[TITLE I—JOB TRAINING PARTNERSHIP

[PART A—SERVICE DELIVERY SYSTEM

[ESTABLISHMENT OF SERVICE DELIVERY AREAS

[SEC. 101. (a)(1) The Governor shall, after receiving the proposal of the State job training coordinating council, publish a proposed designation of service delivery areas for the State each of which—

[(A) is comprised of the State or one or more units of general local government;

[(B) will promote effective delivery of job training services; and

[(C)(i) is consistent with labor market areas or standard metropolitan statistical areas, but this clause shall not be construed to require designation of an entire labor market area; or

[(ii) is consistent with areas in which related services are provided under other State or Federal programs.

[(2) The Council shall include in its proposal a written explanation of the reasons for designating each service delivery area.

[(3) Units of general local government (and combinations thereof), business organizations, and other affected persons or organizations shall be given an opportunity to comment on the proposed designation of service delivery areas and to request revisions thereof.

[(4)(A) The Governor shall approve any request to be a service delivery area from—

[(i) any unit of general local government with a population of 200,000 or more;

[(ii) any consortium of contiguous units of general local government with an aggregate population of 200,000 or more which serves a substantial part of one or more labor market areas; and

[(iii) any concentrated employment program grantee for a rural area which served as a prime sponsor under the Comprehensive Employment and Training Act.

[(B) The Governor may approve a request to be a service delivery area from any unit of general local government or consortium of contiguous units of general local government, without regard to population, which serves a substantial portion of a labor market area.

[(C) If the Governor denies a request submitted under subparagraph (A) and the entity making such request alleges that the decision of the Governor is contrary to the provisions of this section, such entity may appeal the decision to the Secretary, who shall make a final decision within 30 days after such appeal is received.

[(b) The Governor shall make a final designation of service delivery areas within the State. Before making a final designation of service delivery areas for the State, the Governor shall review the comments submitted under subsection (a)(3) and requests submitted under subsection (a)(4).

[(c)(1) In accordance with subsection (a), the Governor may redesignate service delivery areas no more frequently than every two years, except as provided for in sections 106(j)(4)(B) and

164(b)(1)(B). Such redesignations shall be made not later than 4 months before the beginning of a program year.

[(2) Subject to paragraph (1), the Governor shall make such a redesignation if a petition to do so is filed by an entity specified in subsection (a)(4)(A).

[(3) The provisions of this subsection are subject to section 105(c).

[ESTABLISHMENT OF PRIVATE INDUSTRY COUNCIL

[SEC. 102. (a) There shall be a private industry council for every service delivery area established under section 101, to be selected in accordance with this subsection. Each council shall consist of—

[(1) representatives of the private sector, who shall constitute a majority of the membership of the council and who shall be owners of business concerns, chief executives or chief operating officers of nongovernmental employers, or other private sector executives who have substantial management or policy responsibility;

[(2) representatives of organized labor and community-based organizations, who shall constitute not less than 15 percent of the membership of the council; and

[(3) representatives of each of the following:

[(A) Educational agencies (which agencies shall be representative of all educational agencies in the service delivery area).

[(B) Vocational rehabilitation agencies.

[(C) Public assistance agencies.

[(D) Economic development agencies.

[(E) The public employment service.

[(b) The Chairman of the council shall be selected from among members of the council who are representatives of the private sector.

[(c)(1)(A) Private sector representatives on the council shall be selected from among individuals nominated by general purpose business organizations after consulting with, and receiving recommendations from, other business organizations in the service delivery area. The number of such nominations shall be at least 150 percent of the number of individuals to be appointed under subsection (a)(1). Such nominations, and the individuals selected from such nominations, shall reasonably represent the industrial and demographic composition of the business community. Whenever possible, at least one-half of such business and industry representatives shall be representatives of small business, including minority business.

[(B) For the purpose of this paragraph, the term—

[(i) "general purpose business organizations" means organizations which admit to membership any for-profit business operating within the service delivery area; and

[(ii) "small business" means private for-profit enterprises employing 500 or fewer employees.

[(2) The education representatives on the council shall be selected from among individuals nominated by regional or local educational agencies, vocational education institutions, institutions of higher education (including entities offering adult education) or general organizations of such institutions, within the service delivery area.

[(3) The labor representatives on the council shall be selected from individuals recommended by recognized State and local labor federations. If the State or local labor federation fails to nominate a sufficient number of individuals to meet the labor representation requirements of subsection (a)(2), individual workers may be included on the council to complete the labor representation.

[(4) The remaining members of the council shall be selected from individuals recommended by interested organizations.

[(d)(1) In any case in which there is only one unit of general local government with experience in administering job training programs within the service delivery area, the chief elected official of that unit shall appoint members to the council from the individuals nominated or recommended under subsection (c).

[(2) In any case in which there are two or more such units of general local government in the service delivery area, the chief elected officials of such units shall appoint members to the council from the individuals so nominated or recommended in accordance with an agreement entered into by such units of general local government. In the absence of such an agreement, the appointments shall be made by the Governor from the individuals so nominated or recommended.

[(e) The initial number of members of the council shall be determined—

[(1) by the chief elected official in the case described in subsection (d)(1),

[(2) by the chief elected officials in accordance with the agreement in the case described in subsection (d)(2), or

[(3) by the Governor in the absence of such agreement.

Thereafter, the number of members of the council shall be determined by the council.

[(f) Members shall be appointed for fixed and staggered terms and may serve until their successors are appointed. Any vacancy in the membership of the council shall be filled in the same manner as the original appointment. Any member of the council may be removed for cause in accordance with procedures established by the council.

[(g) The Governor shall certify a private industry council if the Governor determines that its composition and appointments are consistent with the provisions of this subsection. Such certification shall be made or denied within 30 days after the date on which a list of members and necessary supporting documentation are submitted to the Governor. When the Governor certifies the council, it shall be convened within 30 days by the official or officials who made the appointments to such council under subsection (d).

[(h) In any case in which the service delivery area is a State, the State job training coordinating council or a portion of such council may be reconstituted to meet the requirements of this section.

[FUNCTIONS OF PRIVATE INDUSTRY COUNCIL

[SEC. 103. (a) It shall be the responsibility of the private industry council to provide policy guidance for, and exercise oversight with respect to, activities under the job training plan for its service delivery area in partnership with the unit or units of general local government within its service delivery area.

[(b)(1) The council, in accordance with an agreement or agreements with the appropriate chief elected official or officials specified in subsection (c), shall—

[(A) determine procedures for the development of the job training plan, which may provide for the preparation of all or any part of the plan (i) by the council, (ii) by any unit of general local government in the service delivery area, or by an agency thereof, or (iii) by such other methods or institutions as may be provided in such agreement; and

[(B) select as a grant recipient and entity to administer the job training plan (which may be separate entities), (i) the council, (ii) a unit of general local government in its service delivery area, or an agency thereof, (iii) a nonprofit private organization or corporation, or (iv) any other agreed upon entity or entities.

[(2) The council is authorized to provide oversight of the programs conducted under the job training plan in accordance with procedures established by the council. In order to carry out this paragraph, the council shall have access to such information concerning the operations of such programs as is necessary.

[(c) For purposes of subsection (b), the appropriate chief elected official or officials means—

[(1) the chief elected official of the sole unit of general local government in the service delivery area,

[(2) the individual or individuals selected by the chief elected officials of all units of general local government in such area as their authorized representative, or

[(3) in the case of a service delivery area designated under section 101(a)(4)(A)(iii), the representative of the chief elected official for such area (as defined in section 4(4)(C)).

[(d) No job training plan prepared under section 104 may be submitted to the Governor unless (1) the plan has been approved by the council and by the appropriate chief elected official or officials specified in subsection (c), and (2) the plan is submitted jointly by the council and such official or officials.

[(e) In order to carry out its functions under this Act, the council—

[(1) shall, in accordance with the job training plan, prepare and approve a budget for itself, and

[(2) may hire staff, incorporate, and solicit and accept contributions and grant funds (from other public and private sources).

[(f) As used in this section, the term "oversight" means reviewing, monitoring, and evaluating.

[JOB TRAINING PLAN

[SEC. 104. (a) No funds appropriated under title II for any fiscal year may be provided to any service delivery area under this Act except pursuant to a job training plan for two program years which is prepared in accordance with section 103 and which meets the requirements of this section.

[(b) Each job training plan for the programs conducted under title II shall contain—

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[(1) an identification of the entity that will administer the program and be the grant recipient of funds from the State;

[(2) if there is more than one service delivery area in a single labor market area, provisions for coordinating particular aspects of the service delivery area program with other programs and service providers in the labor market area, including provisions for—

[(A) assessing needs and problems in the labor market that form the basis for program planning;

[(B) ensuring access by program participants in each service delivery area to skills training and employment opportunities throughout the entire labor market;

[(C) coordinating or jointly implementing job development, placement, and other employer outreach activities; and

[(D) entering into agreements and contracts, established pursuant to section 141(e)(2), between service delivery areas to pay or share the cost of services;

[(3) a description of methods of complying with the coordination criteria contained in the Governor's coordination and special services plan;

[(4) a description of linkages established with appropriate agencies, pursuant to sections 205 and 265, designed to enhance the provision of services and avoid duplication, including—

[(A) agreements with appropriate educational agencies;

[(B) arrangements with other education, training, and employment programs authorized by Federal law;

[(C) if appropriate, joint programs in which activities supported with assistance under this Act are coordinated with activities (such as service opportunities and youth corps programs) supported with assistance made available under the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.); and

[(D) efforts to ensure the effective delivery of services to participants in coordination with local welfare agencies and other local agencies, community-based organizations, volunteer groups, business and labor organizations, and other training, education, employment, and social service programs;

[(5) goals and objectives for the programs, including—

[(A) a description of the manner in which the program will contribute to the economic self-sufficiency of participants, and the productivity of the local area and the Nation; and

[(B) performance standards established in accordance with standards prescribed under section 106;

[(6) procedures for identifying and selecting participants, including—

[(A) goals for the training and placement of hard-to-serve individuals, and a description of efforts to be undertaken to accomplish such goals;

[(B) outreach efforts to recruit and expand awareness of training and placement opportunities for such individuals; and

[(C) types of services to be provided to address the special needs of such individuals;

[(7)(A) goals for—

[(i) the training of women in nontraditional employment; and

[(ii) the training-related placement of women in nontraditional employment and apprenticeships; and

[(B) a description of efforts to be undertaken to accomplish the goals described in subparagraph (A), including efforts to increase awareness of such training and placement opportunities;

[(8) adult and youth program budgets for 2 program years and any proposed expenditures for the succeeding 2 program years;

[(9) a description of—

[(A) the assessment process that will identify participant skill levels;

[(B) the process for providing information and referrals for applicants and participants relating to appropriate programs and service providers;

[(C) the services to be provided, including the means for involving labor organizations and community-based organizations in the provision of services, the estimated duration of service, and the estimated training cost per participant;

[(D) the competency levels to be achieved by participants as a result of program participation; and

[(E) the procedures for evaluating the progress of participants in achieving competencies;

[(10) a description of the procedures and methods of carrying out title V, where applicable, relating to incentive bonus payments for the placement of individuals eligible under such title;

[(11) procedures, consistent with sections 107 and 164, for selecting service providers, which procedures shall take into account—

[(A) past performance of the providers regarding—

[(i) job training, basic skills training, or related activities;

[(ii) fiscal accountability; and

[(iii) ability to meet performance standards; and

[(B) the ability of the providers to provide services that can lead to achievement of competency standards for participants with identified deficiencies;

[(12) fiscal control (including procurement, monitoring, and management information system requirements), accounting, audit, and debt collection procedures, consistent with section 164, to assure the proper disbursal of, and accounting for, funds received under title II; and

[(13) procedures for the preparation and submission of an annual report to the Governor, which report shall include—

[(A) a description of activities conducted during the program year;

[(B) characteristics of participants;

[(C) information on the extent to which applicable performance standards were met;

[(D) information on the extent to which the service delivery area has met the goals of the area for the training and training-related placement of women in nontraditional employment and apprenticeships; and

[(E) a statistical breakdown of women trained and placed in nontraditional occupations, including information regarding—

[(i) the type of training received, by occupation;

[(ii) whether the participant was placed in a job or apprenticeship, and, if so, the occupation and wage at placement;

[(iii) the age of the participant;

[(iv) the race of the participant; and

[(v) retention of the participant in nontraditional employment.

[(c) If changes in labor market conditions, funding, or other factors require substantial deviation from an approved job training plan, the private industry council and the appropriate chief elected official or officials (as described in section 103(c)) shall submit a modification of such plan (including modification of the budget under subsection (b)(6)), which shall be subject to review in accordance with section 105.

[REVIEW AND APPROVAL OF PLAN

[SEC. 105. (a)(1) Not less than 120 days before the beginning of the first of the two program years covered by the job training plan—

[(A) the proposed plan or summary thereof shall be published; and

[(B) such plan shall be made available for review and comment to—

[(i) each house of the State legislature for appropriate referral;

[(ii) appropriate community-based organizations and local educational and other public agencies in the service delivery area; and

[(iii) labor organizations in the area which represent employees having the skills in which training is proposed; and

[(C) such plan shall be reasonably available to the general public through such means as public hearings and local news facilities.

[(2) The final plan, or a summary thereof, shall be published not later than 80 days before the first of the two program years and shall be submitted to the Governor in accordance with section 103(d)(2). Any modification shall be published not later than 80 days before it is effective and shall be submitted to the Governor in accordance with such section.

[(b)(1) The Governor shall approve the job training plan or modification thereof unless he finds that—

[(A) corrective measures for deficiencies found in audits or in meeting performance standards from previous years have not been taken or are not acceptably underway;

[(B) the entity proposed to administer the program does not have the capacity to administer the funds;

[(C) there are inadequate safeguards for the protection of funds received;

[(D) the plan (or modification) does not comply with a particular provision or provisions of this Act or of regulations of the Secretary under this Act; or

[(E) the plan (or modification) does not comply with the criteria under sections 121(b), 205, and 265 for coordinating activities under this Act with related program activities.

[(2) The Governor shall approve or disapprove a job training plan (or modification) within 30 days after the date that the plan (or modification) is submitted, except that if a petition is filed under paragraph (3) such period shall be extended to 45 days. Any disapproval by the Governor may be appealed to the Secretary, who shall make a final decision of whether the Governor's disapproval complies with paragraph (1) of this subsection within 45 days after receipt of the appeal.

[(3)(A) Interested parties may petition the Governor within 15 days of the date of submission for disapproval of the plan or modification thereof if—

[(i) the party can demonstrate that it represents a substantial client interest,

[(ii) the party took appropriate steps to present its views and seek resolution of disputed issues prior to submission of the plan to the Governor, and

[(iii) the request for disapproval is based on a violation of statutory requirements.

[(B) If the Governor approves the plan (or modification), the Governor shall notify the petitioner in writing of such decision and the reasons therefor.

[(c)(1) If a private industry council and the appropriate chief elected official or officials fail to reach the agreement required under section 103 (b) or (d) and, as a consequence, funds for a service delivery area may not be made available under section 104, then the Governor shall redesignate, without regard to sections 101 (a)(4) and (c)(1), the service delivery areas in the State to merge the affected area into one or more other service delivery areas, in order to promote the reaching of agreement.

[(2) In any State in which service delivery areas are redesignated under paragraph (1), private industry councils shall, to the extent necessary for the redesignation, be reconstituted and job training plans modified as required to comply with sections 102 and 103. Services under an approved plan shall not be suspended while the council is reconstituted and the plan is modified.

[(d) In any case in which the service delivery area is a State, the plan (or modification) shall be submitted to the Secretary for approval. For the purpose of this subsection, the Secretary shall have the same authority as the Governor has under this section.

[PERFORMANCE STANDARDS

[Sec. 106. (a) Findings.—The Congress recognizes that job training is an investment in human capital and not an expense. In order to determine whether that investment has been productive, the Congress finds that—

[(1) it is essential that criteria for measuring the return on this investment be developed; and

[(2) the basic return on the investment is to be measured by long-term economic self-sufficiency, increased employment and earnings, reductions in welfare dependency, and increased educational attainment and occupational skills.

[(b) Title II Performance Standards.—

[(1) General objective.—In prescribing performance standards for programs under parts A and C of title II, the Secretary shall ensure that States and service delivery areas will make efforts to increase services and positive outcomes for hard-to-serve individuals.

[(2) Achievement of basic measures.—In order to determine whether the basic measures described in subsection (a) are achieved for programs under parts A and C of title II, the Secretary, in consultation with the Secretary of Education and the Secretary of Health and Human Services, shall prescribe performance standards.

[(3) Factors for adult standards.—The Secretary shall base the performance standards for adult programs under part A of title II on appropriate factors, which may include—

[(A) placement in unsubsidized employment;

[(B) retention for not less than 6 months in unsubsidized employment;

[(C) an increase in earnings, including hourly wages;

[(D) a reduction in welfare dependency; and

[(E) acquisition of skills, including basic skills, required to promote continued employability in the local labor market (including attainment of the competency levels described in paragraph (5)), or acquisition of a high school diploma or the equivalent of the diploma, if the acquisition of such skills or diploma is in addition to obtaining one or more of the outcomes described in subparagraphs (A) through (D).

[(4) Factors for youth standards.—

[(A) In general.—The Secretary shall base the performance standards for youth programs under part C of title II on appropriate factors described in paragraph (3), and on factors including—

[(i) attainment of employment competencies (including attainment of the competency levels described in paragraph (5));

[(ii) dropout prevention and recovery;

[(iii) secondary and postsecondary school completion or the equivalent of such completion; and

[(iv) enrollment in other training programs, apprenticeships, or postsecondary education, or enlistment in the Armed Forces.

[(B) VARIATIONS.—The Secretary may prescribe variations in the standards described in subparagraph (A) to reflect the differences between in-school and out-of-school programs.

[(5) COMPETENCY LEVELS.—The private industry councils, in consultation with appropriate educational agencies, and, where appropriate, the private sector, labor organizations, and community-based organizations, shall establish youth and adult competency levels, based on such factors as entry level skills and other hiring requirements.

[(6) REQUIREMENTS.—The performance standards described in paragraphs (3) and (4) shall include provisions governing—

[(A) the base period prior to program participation that will be used for measurement of the factors in such paragraphs, as appropriate;

[(B) a representative period after termination from the program that is a reasonable indicator of postprogram employment, earnings, and cash welfare payment reductions; and

[(C) cost-effective methods for obtaining such data as are necessary to carry out this section and section 452(d) which, notwithstanding any other provision of law, may include access to earnings records, State employment security records, records collected under the Federal Insurance Contributions Act (chapter 21 of the Internal Revenue Code of 1986), records collected under the State program funded under part A of title IV of the Social Security Act, statistical sampling techniques, and similar records or measures, with appropriate safeguards to protect the confidentiality of the information obtained.

[(7) INCENTIVE GRANTS.—From funds available under section 202(c)(1)(B), and under section 262(c)(1)(B), for providing incentive grants under this paragraph, each Governor shall award incentive grants for programs under parts A and C of title II, other than programs under section 204(d), to service delivery areas that—

[(A) exceed the performance standards established by the Secretary under this subsection (except for the standards established under paragraph (8)) with respect to services to all participants;

[(B) exceed the performance standards established by the Secretary under this subsection (except for the standards established under paragraph (8)) with respect to services to populations of hard-to-serve individuals;

[(C) serve more than the minimum percentage of out-of-school youth required by section 263(f);

[(D) place participants in employment that—

[(i) provides post-program earnings exceeding the applicable performance criteria; and

[(ii) includes employer-assisted employment benefits, including health benefits, consistent with the requirements of section 143(a)(4) relating to subsidized employment; and

[(E) exceed the performance standards established by the Governor under subsection (e) for programs under title II, except that not more than 25 percent of the incentive grants shall be awarded on performance standards established under subsection (e).

[(8) Program expenditures.—The Secretary shall prescribe performance standards relating gross program expenditures to various performance measures under this subsection, excluding any cost per participant measure. The Governors shall not take performance standards prescribed under this paragraph into consideration in awarding incentive grants under paragraph (7).

[(c) Title III Performance Standards.—

[(1) In general.—The Secretary shall prescribe performance standards for programs under title III based on placement and retention in unsubsidized employment.

[(2) Needs-related payments.—In prescribing performance standards under paragraph (1), the Secretary shall make appropriate allowance for the difference in cost resulting from serving workers receiving needs-related payments under section 314(e).

[(d) State Variation of Performance Standards.—

[(1) Authority of governor.—Each Governor shall prescribe, and report in the Governor's coordination and special services plan, within parameters established by the Secretary, variations in the standards issued under subsections (b) and (c) based upon—

[(A) specific economic, geographic, and demographic factors in the State and in service delivery areas and substate areas within the State;

[(B) the characteristics of the population to be served;

[(C) the demonstrated difficulties in serving the population; and

[(D) the type of services to be provided.

[(2) Responsibilities of secretary.—The Secretary shall—

[(A) provide information and technical assistance on performance standards adjustments;

[(B) collect data that identifies hard-to-serve individuals;

[(C) provide guidance on setting performance standards at the service provider level that encourages increased service to such individuals; and

[(D) review performance standards to ensure that such standards provide maximum incentive in serving such individuals.

[(e) Additional State Standards Permitted.—The Governor may prescribe performance standards for programs under title II and title III in addition to those standards established by the Secretary under subsections (b) and (c). Such additional standards may include criteria relating to establishment of effective linkages with other programs to avoid duplication and enhance the delivery of services, the provision of high quality services, and successful service to hard-to-serve individuals. The additional performance standards established for title II shall be reported in the Governor's coordination and special services plan.

[(f) TITLE IV STANDARDS.—The Secretary shall prescribe performance standards for programs under parts A and B of title IV.

[(g) ADJUSTMENT FOR SPECIAL POPULATIONS.—The Secretary shall prescribe a system for variations in performance standards for special populations to be served, including Native Americans, migrant and seasonal farmworkers, disabled and Vietnam era veterans, including veterans who served in the Indochina Theater between August 5, 1964 and May 7, 1975, older individuals, including those served under section 204(d), and offenders, taking into account their special circumstances.

[(h) MODIFICATIONS.—

[(1) IN GENERAL.—The Secretary may modify the performance standards under this section not more often than once every 2 program years. Such modifications shall not be retroactive.

[(2) JOB CORPS.—Notwithstanding paragraph (1), the Secretary may modify standards relating to programs under part B of title IV each program year.

[(i) FUNCTIONS OF NCEP.—The National Commission for Employment Policy shall—

[(1) advise the Secretary in the development of performance standards under this section for measuring results of participation in job training and in the development of parameters for variations of such standards referred to in subsection (d);

[(2) evaluate the usefulness of such standards as measures of desired performance; and

[(3) evaluate the impact of such standards (intended or otherwise) on the choice of who is served, what services are provided, and the cost of such services in service delivery areas.

[(j) FAILURE TO MEET STANDARDS.—

[(1) UNIFORM CRITERIA.—The Secretary shall establish uniform criteria for determining whether—

[(A) a service delivery area fails to meet performance standards under this section; and

[(B) the circumstances under which remedial action authorized under this subsection shall be taken.

[(2) TECHNICAL ASSISTANCE.—Each Governor shall provide technical assistance to service delivery areas failing to meet performance standards under the uniform criteria established under paragraph (1)(A).

[(3) PROCESS FOR CORRECTION.—Not later than 90 days after the end of each program year, each Governor shall report to the Secretary the final performance standards and performance for each service delivery area within the State, along with the plans of the Governor for providing the technical assistance required under paragraph (2).

[(4) REORGANIZATION PLAN.—

[(A) PLAN REQUIRED FOR CONTINUED FAILURE.—If a service delivery area continues to fail to meet such performance standards for 2 consecutive program years, the Governor shall notify the Secretary and the service delivery area of the continued failure, and shall develop and impose a reorganization plan.

[(B) Elements.—Such plan may restructure the private industry council, prohibit the use of designated service providers, merge the service delivery area into one or more other existing service delivery areas, or make other changes as the Governor determines to be necessary to improve performance, including the selection of an alternative administrative entity to administer the program for the service delivery area.

[(C) Alternative administrative entity selection.—The alternative administrative entity described in subparagraph (B) may be a newly formed private industry council or any agency jointly selected by the Governor and the chief elected official of the largest unit of general local government in the service delivery area or substate area.

[(5) Secretarial action.—

[(A) Plan.—If the Governor has not imposed a reorganization plan as required by paragraph (4) within 90 days of the end of the second program year in which a service delivery area has failed to meet its performance standards, the Secretary shall develop and impose such a plan.

[(B) Recapture or withholding.—The Secretary shall recapture or withhold an amount not to exceed one-fifth of the State administration set-aside allocated under section 202(c)(1)(A) and under section 262(c)(1)(A), for the purposes of providing technical assistance under a reorganization plan imposed pursuant to subparagraph (A).

[(6) Appeal by service delivery area.—

[(A) Timing.—A service delivery area that is the subject of a reorganization plan under paragraph (4) may, within 30 days after receiving notice thereof, appeal to the Secretary to rescind or revise such plan.

[(B) Recapture or withholding.—

[(i) Determination.—If the Secretary determines, upon appeal under subparagraph (A), that the Governor has not provided appropriate technical assistance as required under paragraph (2), the Secretary shall recapture or withhold an amount not to exceed one-fifth of the State administration set-aside allotted under section 202(c)(1)(A) and under section 262(c)(1)(A). The Secretary shall use funds recaptured or withheld under this subparagraph to provide appropriate technical assistance.

[(ii) Basis.—If the Secretary approved the technical assistance plan provided by the Governor under paragraph (2), a determination under this subparagraph shall only be based on failure to effectively implement such plan and shall not be based on the plan itself.

[(7) Appeal by governor.—A Governor of a State that is subject to recapture or withholding under paragraph (5) or (6)(B) may, within 30 days of receiving notice thereof, appeal such withholding to the Secretary.

[(k) Clarification or Reference.—For the purposes of this section, the term "employment" means employment for 20 or more hours per week.

[SELECTION OF SERVICE PROVIDERS

[Sec. 107. (a) The primary consideration in selecting agencies or organizations to deliver services within a service delivery area shall be the effectiveness of the agency or organization in delivering comparable or related services based on demonstrated performance, (in accordance with guidelines established by the Secretary), in terms of the likelihood of meeting performance goals, cost, quality of training, and characteristics of participants. In addition, consideration shall be given to demonstrated performance in making available appropriate supportive services, including child care. In complying with this subsection, proper consideration shall be given to community-based organizations as service providers.

[(b) Funds provided under this Act shall not be used to duplicate facilities or services available in the area (with or without reimbursement) from Federal, State, or local sources, unless it is demonstrated that alternative services or facilities would be more effective or more likely to achieve the service delivery area's performance goals.

[(c) Appropriate education agencies in the service delivery area shall be provided the opportunity to provide educational services, unless the administrative entity demonstrates that alternative agencies or organizations would be more effective or would have greater potential to enhance the participants' continued occupational and career growth.

[(d) The administrative entity shall not fund any occupational skills training program unless the level of skills provided in the program are in accordance with guidelines established by the private industry council.

[(e) The selection of service providers shall be made on a competitive basis to the extent practicable, and shall include—

[(1) a determination of the ability of the service provider to meet program design specifications established by the administrative entity that take into account the purposes of the Act and the goals established in the Governor's coordination and special services plan; and

[(2) documentation of compliance with procurement standards established by the Governor under section 164, including the reasons for selection.

[LIMITATION ON CERTAIN COSTS

[Sec. 108. (a) Except as provided in subparagraph (A) or (B) of section 141(d)(3), funds expended under this Act shall be charged to the appropriate cost categories.

[(b)(1) The cost limitations contained in this subsection shall apply separately to the funds allocated for programs under part A of title II, and to the funds allocated for programs under part C of such title.

[(2) Funds expended under parts A and C of title II shall be charged to one of the following categories:

[(A) Administration.

[(B) Training-related and supportive services.

[(C) Direct training services.

[(3) The Secretary shall, consistent with sections 204(b) and 264(c), define by regulation the cost categories specified in paragraph (2).

[(4) Of the funds allocated to a service delivery area for any program year under parts A or C of title II—

[(A) not more than 20 percent shall be expended for administration; and

[(B) not less than 50 percent shall be expended for direct training services.

[(5) Each service delivery area shall ensure that for all services provided to participants through contracts, grants, or other agreements with a service provider, such contract, grant, or agreement shall include appropriate amounts necessary for administration and supportive services.

[(6) For purposes of paragraph (4), the term "allocated" means allocated for a program year, as adjusted for reallocations and reallotments under section 109 and for transfers of funds under sections 206, 256, and 266.

[(c) Funds available under title III shall be expended in accordance with the limitations specified in section 315.

[(d) The provisions of this section do not apply to any service delivery area designated pursuant to section 101(a)(4)(A)(iii).

[(e) This section shall not be construed to exempt programs under an approved plan from the performance standards established under section 106.

[RECAPTURE AND REALLOTMENT OF UNOBLIGATED FUNDS

[SEC. 109. (a) WITHIN STATE REALLOCATIONS.—

[(1) IN GENERAL.—For program years beginning on or after July 1, 1993, the Governor shall, in accordance with the requirements of this subsection, reallocate to eligible service delivery areas within the State funds appropriated for such program year that are available for reallocation.

[(2) AMOUNT.—The amount available for reallocation is equal to the amount by which the unobligated balance of the service delivery area allocation under part A or C of title II for all service delivery areas within the State at the end of the program year prior to the program year for which the determination under this subsection is made exceeds 15 percent of such allocation for the prior program year.

[(3) REALLOCATION.—The Governor shall reallocate the amounts available pursuant to paragraph (2) to eligible service delivery areas within the State that have the highest rates of unemployment for an extended period of time and to those with the highest poverty rates.

[(4) ELIGIBILITY.—For purposes of this subsection, an eligible service delivery area means a service delivery area that has obligated at least 85 percent of its allocation under part A or C of title II, respectively, for the program year prior to the program year for which the determination under this subsection is made.

[(b) REALLOTMENT AMONG STATES.—

[(1) IN GENERAL.—For program years beginning on or after July 1, 1993, the Secretary shall, in accordance with the requirements of this subsection, reallot to eligible States funds appropriated for such program year that are available for reallotment.

[(2) AMOUNT.—The amount available for reallotment is equal to the amount by which the unobligated balance of the State allotment under part A or C of title II, respectively, for all States at the end of the program year prior to the program year for which the determination under this subsection is made exceeds 15 percent of such allotment for that prior program year.

[(3) REALLOTMENT.—The Secretary shall reallot the amounts available pursuant to paragraph (2) to each eligible State an amount based on the relative amount allotted to such eligible State under part A or C of title II, respectively, for the program year the determination under this subsection is made compared to the total amount allotted to all eligible States under part A or C of title II, respectively, for such program year.

[(4) ELIGIBILITY.—For purposes of this subsection, an eligible State means a State that has obligated at least 85 percent of its allocation under part A or C of title II, respectively, for the program year prior to the program year for which the determination under this subsection is made.

[(5) PROCEDURES.—The Governor of each State shall prescribe uniform procedures for the obligation of funds by service delivery areas within the State in order to avoid the requirement that funds be made available for reallotment under this subsection. The Governor shall further prescribe equitable procedures for making funds available from the State and service delivery areas in the event that a State is required to make funds available for reallotment under this subsection.

[(d) CALCULATION.—Funds obligated to carry out programs under section 204(d) shall not be counted in determining the amount available for reallocation under subsection (a)(2) or the amount available for reallotment under subsection (b)(2).

[PART B—ADDITIONAL STATE RESPONSIBILITIES

[GOVERNOR'S COORDINATION AND SPECIAL SERVICES PLAN

[SEC. 121. (a)(1) The Governor shall annually prepare a statement of goals and objectives for job training and placement programs within the State to assist in the preparation of the plans required under section 104 of this Act and section 8 of the Act of June 6, 1933 (known as the Wagner-Peyser Act).

[(2) Any State seeking financial assistance under this Act shall submit a Governor's coordination and special services plan for two program years to the Secretary describing the use of all resources provided to the State and its service delivery areas under this Act and evaluating the experience over the preceding two years.

[(b)(1) The plan shall establish criteria for coordinating activities under this Act (including title III) with programs and services provided by State and local education and training agencies (including vocational education agencies), public assistance agencies, the employment service, rehabilitation agencies, postsecondary institutions, economic development agencies, programs for the homeless and such other agencies as the Governor determines to have a direct interest in employment and training and human resource utilization within the State. Such criteria shall not affect local discretion concerning the selection of eligible participants or service providers in accordance with the provisions of sections 107 203, or 263

[(2) The plan shall describe the measures taken by the State to ensure coordination and avoid duplication between the State agencies administering the work activities required under title IV of the Social Security Act and programs under title II in the planning and delivery of services.

[(3) The plan shall describe the projected use of resources, including oversight of program performance, program administration, and program financial management, capacity building, priorities and criteria for State incentive grants, and performance goals for State-supported programs. The description of capacity building shall include the Governor's plans for technical assistance to service delivery areas and service providers, interstate technical assistance and training arrangements, other coordinated technical assistance arrangements undertaken pursuant to the direction of the Secretary, and, where applicable, research and demonstration projects.

[(4) The plan shall include goals for—

[(A) the training of women in nontraditional employment through funds available under the Job Training Partnership Act, the Carl D. Perkins Vocational and Applied Technology Education Act, and other sources of Federal and State support;

[(B) the training-related placement of women in nontraditional employment and apprenticeships;

[(C) a description of efforts to be undertaken to accomplish such goals, including efforts to increase awareness of such training and placement opportunities; and

[(D) a description of efforts to coordinate activities provided pursuant to the Job Training Partnership Act and the Carl D. Perkins Vocational and Applied Technology Education Act to train and place women in nontraditional employment.

[(5) The State plan shall include a description of the manner in which the State will encourage the successful carrying out of —

[(A) training activities for eligible individuals whose placement is the basis for the payment to the State of the incentive bonus authorized by title V; and

[(B) the training services, outreach activities, and preemployment supportive services furnished to such individuals.

[(6) The Governor shall report to the Secretary the adjustments made in the performance standards and the factors that are used in making the adjustments.

[(7) If major changes occur in labor market conditions, funding, or other factors during the two-year period covered by the plan, the State shall submit a modification to the Secretary describing these changes.

[(c) Governor's coordination and special services activities may include—

[(1) making available to service delivery areas, with or without reimbursement and upon request, appropriate information and technical assistance to assist in developing and implementing plans and programs;

[(2) carrying out special model training and employment programs and related services (including programs receiving financial assistance from private sources);

[(3) providing programs and related services for offenders, homeless individuals and other individuals whom the Governor determines require special assistance;

[(4) providing financial assistance for special programs and services designed to meet the needs of rural areas outside major labor market areas;

[(5) providing training opportunities in the conservation and efficient use of energy, and the development of solar energy sources as defined in section 3 of the Solar Energy Research, Development and Demonstration Act of 1974;

[(6) industry-wide training;

[(7) coordination of activities relating to part A of title II with activities under title III of this Act;

[(8) developing and providing to service delivery areas information on a State and local area basis regarding economic, industrial, and labor market conditions;

[(9) providing programs and related services to encourage the recruitment of women for training, placement, and retention in nontraditional employment;

[(10) providing preservice and inservice training for planning, management, and delivery staffs of administrative entities and private industry councils, as well as contractors for State supported programs;

[(11) providing statewide programs which provide for joint funding of activities under this Act with services and activities under other Federal, State, or local employment-related programs, including programs of the Department of Veterans Affairs; and

[(12) making available to service delivery areas appropriate information and technical assistance to assist in developing and implementing joint programs, including youth corps programs, in which activities supported under this Act are coordinated with activities supported under the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.).

[(d) A Governor's coordination and special services plan shall be approved by the Secretary unless the Secretary determines that the plan does not comply with specific provisions of this Act.

[STATE JOB TRAINING COORDINATING COUNCIL

[SEC. 122. (a)(1) Except as provided in subsection (d), any State which desires to receive financial assistance under this Act shall establish a State job training coordinating council (hereinafter in this section referred to as the "State council"). Funding for the council shall be provided pursuant to sections 202(c)(1)(A) and 262(c)(1)(A).

[(2) The State council shall be appointed by the Governor, who shall designate one nongovernmental member thereof to be chairperson. In making appointments to the State council, the Governor shall ensure that the membership of the State council reasonably represents the population of the State.

[(3) The State job training coordinating council shall be composed as follows:

[(A) Thirty percent of the membership of the State council shall be representatives of business and industry (including agriculture, where appropriate) including individuals who are representatives of business and industry on private industry councils within the State.

[(B) Thirty percent of the membership of the State council shall be—

[(i) representatives of the State legislature and State agencies and organizations, such as the State educational agency, the State vocational education board, the State advisory council on vocational education, the State board of education (when not otherwise represented), State public assistance agencies, the State employment security agency, the State rehabilitation agency, the State occupational information coordinating committee, State postsecondary institutions, the State economic development agency, State veterans' affairs agencies or equivalent, and such other agencies as the Governor determines to have a direct interest in employment and training and human resource utilization within the State; and

[(ii) representatives of the units or consortia of general local government in the State who shall be nominated by the chief elected officials of the units or consortia of units of general local government, and the representatives of local educational agencies who shall be nominated by local educational agencies.

[(C) Thirty percent of the membership of the State council shall be representatives of organized labor and representatives of community-based organizations in the State.

[(D) Ten percent of the membership of the State council shall be appointed from the general public by the Governor of the State.

[(4) The State council shall meet at such times and in such places as it deems necessary. The meetings shall be publicly announced, and, to the extent appropriate, open and accessible to the general public.

[(5) The State council is authorized to obtain the services of such professional, technical, and clerical personnel as may be necessary to carry out its functions under this Act.

[(6) In order to assure objective management and oversight, the State council shall not operate programs or provide services directly to eligible participants, but shall exist solely to plan, coordinate, and monitor the provision of such programs and services.

[(7) The plans and decisions of the State council shall be subject to approval by the Governor.

[(b) The State council shall—

[(1) recommend a Governor's coordination and special services plan;

[(2) recommend to the Governor substate service delivery areas, plan resource allocations not subject to section 202(b) or 262(b), provide management guidance and review for all programs in the State, develop appropriate linkages with other programs, coordinate activities with private industry councils, and develop the Governor's coordination and special services plan and recommend variations in performance standards;

[(3) advise the Governor and local entities on job training plans and certify the consistency of such plans with criteria under the Governor's coordination and special services plan for coordination of activities under this Act with other Federal, State, and local employment-related programs, including programs operated in designated enterprise zones;

[(4) review the operation of programs conducted in each service delivery area, and the availability, responsiveness, and adequacy of State services, and make recommendations to the Governor, appropriate chief elected officials, and private industry councils, service providers, the State legislature, and the general public with respect to ways to improve the effectiveness of such programs or services;

[(5) review the reports made pursuant to subparagraphs (D) and (E) of section 104(b)(12) and make recommendations for technical assistance and corrective action, based on the results of such reports;

[(6) prepare a summary of the reports made pursuant to subparagraphs (D) and (E) of section 104(b)(12) detailing promising service delivery approaches developed in each service delivery area for the training and placement of women in nontraditional occupations, and disseminate annually such summary to service delivery areas, service providers throughout the State, and the Secretary;

[(7) review the activities of the Governor to train, place, and retain women in nontraditional employment, including activities under section 123, prepare a summary of activities and an analysis of results, and disseminate annually such summary to service delivery areas, service providers throughout the State, and the Secretary;

[(8) consult with the sex equity coordinator established under section 111(b) of the Carl D. Perkins Vocational and Applied Technology Education Act, obtain from the sex equity coordinator a summary of activities and an analysis of results in training women in nontraditional employment under the Carl D. Perkins Vocational and Applied Technology Education Act, and disseminate annually such summary to service delivery areas, service providers throughout the State, and the Secretary;

[(9) review and comment on the State plan developed for the State employment service agency;

[(10) make an annual report to the Governor which shall be a public document, and issue such other studies, reports, or documents as it deems advisable to assist service delivery areas in carrying out the purposes of this Act;

[(11)(A) identify, in coordination with the appropriate State agencies, the employment and training and vocational education needs throughout the State, and assess the extent to which employment and training, vocational education, rehabilitation services, public assistance, economic development, and other Federal, State, and local programs and services represent a consistent, integrated, and coordinated approach to meeting such needs; and

[(B) comment at least once annually on the measures taken pursuant to section 113(b)(14) of the Carl D. Perkins Vocational Education Act; and

[(12) review plans of all State agencies providing employment, training, and related services, and provide comments and recommendations to the Governor, the State legislature, the State agencies, and the appropriate Federal agencies on the relevancy and effectiveness of employment and training and related service delivery systems in the State.

[(c) In addition to the functions described in subsection (b), the Governor may, to the extent permitted by applicable law, transfer functions which are related to functions under this Act to the council established under this section from any State coordinating committee for the work incentive program under title IV of the Social Security Act or any advisory council established under the Wagner-Peyser Act.

[(d)(1) In lieu of establishing the State council required under subsection (a), each State may satisfy the requirements of this section by designating the State human resource investment council established in accordance with title VII (in this subsection referred to as the "State Council") to carry out the duties described in subsection (b).

[(2) Funding provided to carry out this section may be allotted to the State Council to carry out such functions and the other functions of the State Council if the Governor and the head of the State agency responsible for administration of programs under this Act agree to such an allotment.

[STATE EDUCATION COORDINATION AND GRANTS

[SEC. 123. (a) ALLOTMENT.—

[(1) IN GENERAL.—The Secretary shall allot to the Governor for allocation to any State education agency the sums made available to carry out this section under sections 202(c)(1)(C) and 262(c)(1)(C) to pay for the Federal share of carrying out the projects described in paragraph (2). In allocating such funds to the State education agency, the Governor shall not establish requirements governing the geographic distribution of funds under this section.

[(2) PROJECTS.—Funds allocated under paragraph (1) may be used to pay for the Federal share of carrying out projects (in accordance with agreements under subsection (b)) that—

[(A) provide school-to-work transition services of demonstrated effectiveness that increase the rate of graduation from high school, or completion of the recognized equivalent thereof, including services that increase the rate at which school dropouts return to regular or alternative schooling and obtain a high school degree or its equivalent, and, which may include, services to support multiyear dropout prevention programs of demonstrated effectiveness;

[(B) provide literacy and lifelong learning opportunities and services of demonstrated effectiveness that—

[(i) enhance the knowledge and skills of educationally and economically disadvantaged individuals; and

[(ii) result in increasing the employment and earnings of such individuals;

[(C) provide statewide coordinated approaches, including model programs, to train, place, and retain women in nontraditional employment; and

[(D)(i) facilitate coordination of education and training services for eligible participants in projects described in subparagraphs (A), (B), and (C); or

[(ii)(I) support activities pertaining to a State human resources investment council that meets the requirements of title VII and includes each of the programs described in clauses (i) through (vii) of section 701(b)(2)(A); or

[(II) support activities pertaining to a State council, which carries out functions similar to the functions of the State human resource investment council described in title VII, if such State council was established prior to July 1, 1992.

[(3) FEDERAL SHARE.—The Federal share of the cost of carrying out the projects described in paragraph (2) shall be 50 percent.

[(b) AGREEMENTS REQUIRED.—

[(1) PARTIES TO AGREEMENTS.—The projects described in subsection (a)(2) shall be conducted within a State in accordance with agreements that—

[(A) reflect the goals and services described in paragraphs (1), (2), and (3) of subsection (c); and

[(B) are developed between the State education agency, administrative entities in service delivery areas in the State, and other entities, such as other State agencies, local educational agencies, and alternative service providers (such as community-based and other nonprofit or for-profit organizations).

[(2) CONTENTS OF AGREEMENTS.—

[(A) CONTRIBUTION.—The agreements described in paragraph (1) shall provide for the contribution by the State, from funds other than the funds made available under this Act, of a total amount equal to the funds allotted under this section.

[(B) DIRECT COST OF SERVICES.—Such amount may include the direct cost of employment or training services—

[(i) provided by State or local programs or agencies; or

[(ii) provided by other Federal programs or agencies in accordance with applicable Federal law.

[(c) GOVERNOR'S PLAN REQUIREMENTS.—The State education agency shall submit for inclusion in the Governor's coordination and special services plan a description developed jointly by the State education agency and the Governor of—

[(1) the goals to be achieved and services to be provided by the school-to-work transition programs specified in subsection (a)(2)(A) that will receive the assistance, which description shall, at a minimum, include information regarding—

[(A) the activities and services that will result in increasing the number of youth staying in or returning to school and graduating from high school or the equivalent;

[(B) the work-based curriculum that will link classroom learning to work site experience and address the practical and theoretical aspects of work;

[(C) the opportunities that will be made available to participants to obtain career-path employment and post-secondary education;

[(D) the integration to be achieved, in appropriate circumstances, in the delivery of services between State and local educational agencies and alternative service providers, such as community-based and nonprofit organizations; and

[(E) the linkages that will be established, where feasible, to avoid duplication and enhance the delivery of services, with programs under—

[(i) title II and part B of title IV;

[(ii) the Elementary and Secondary Education Act (20 U.S.C. 2701 et seq.);

[(iii) the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.);

[(iv) the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.);

[(v) the Adult Education Act (20 U.S.C. 1201 et seq.);

[(vii) the Stewart B. McKinney Homeless Assistance Act (Public Law 100–77; 101 Stat. 482); and

[(viii) the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.);

[(2) the goals to be achieved and services to be provided by literacy and lifelong learning programs specified in subsection (a)(2)(B) that will receive the assistance, which description shall, at a minimum, include information regarding—

[(A) the activities and services that will increase the knowledge and skills of educationally and economically disadvantaged individuals, and result in increased employment and earnings for such individuals;

[(B) the integration to be achieved between projects assisted under this section and the 4-year State plan (and related needs assessment carried out for the plan) developed in accordance with section 342 of the Adult Education Act (20 U.S.C. 1206a);

[(C) the variety of settings, including workplace settings, in which literacy training and learning opportunities will be provided; and

[(D) the linkages that will be established, where feasible, to avoid duplication and enhance the delivery of services, with programs under—

[(i) titles II and III;

[(ii) the Adult Education Act;

[(iii) the Carl D. Perkins Vocational and Applied Technology Education Act;

[(iv) the Stewart B. McKinney Homeless Assistance Act;

[(vi) the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.);

[(vii) the National Literacy Act of 1991 (Public Law 102–73);

[(viii) the Emergency Immigrant Education Act of 1984 (20 U.S.C. 3121 et seq.); and

[(ix) the National and Community Service Act of 1990;

[(3) the goals to be achieved and services to be provided by the nontraditional employment for women programs specified in subsection (a)(2)(C) that will receive the assistance; and

[(4) the proportion of funds received under this section that will be used to achieve the goals, and provide the services, described in paragraphs (1), (2), and (3).

[(d) SERVICE REQUIREMENTS.—

[(1) PERMITTED SERVICES.—Services funded under this section to carry out the projects described in subsection (a)(2) may include education and training, vocational education services, and related services, provided to participants under title II. In addition, services funded under this section may include services for offenders, veterans, and other individuals who the Governor determines require special assistance.

[(2) LIMITATIONS ON EXPENDITURES.—

[(A) COORDINATION OF SERVICES.—Not more than 20 percent of the funds allocated under this section may be expended to pay for the Federal share of projects described in subsection (a)(2)(D) at the State and local levels.

[(B) SCHOOL-TO-WORK SERVICES; LITERACY AND LIFELONG LEARNING SERVICES.—Not less than 80 percent of the funds allocated under this section shall be expended to pay for the Federal share of projects conducted in accordance with subparagraphs (A), (B), and (C) of subsection (a)(2).

[(C) ECONOMICALLY DISADVANTAGED INDIVIDUALS.—Not less than 75 percent of the funds allocated for projects under subparagraphs (A), (B), and (C) of subsection (a)(2) shall be expended for projects for economically disadvantaged individuals who experience barriers to employment. Priority for funds not expended for the economically disadvantaged shall be given to title III participants and persons with barriers to employment.

[(e) DISTRIBUTION OF FUNDS IN ABSENCE OF AGREEMENT.—If no agreement is reached in accordance with subsection (b) on the use of funds under this section, the funds shall be available to the Governor to achieve the goals and provide the services described in paragraph (1), (2), or (3) of subsection (c).

[(f) REPORTS AND RECORDS.—

[(1) REPORTS BY GOVERNORS.—The Governor shall prepare reports on the projects funded under this section, including such information as the Secretary may require to determine the extent to which the projects supported under this section result in achieving the goals specified in paragraphs (1), (2), and (3) of subsection (c). The Governor shall submit the reports to the Secretary at such intervals as shall be determined by the Secretary.

[(2) RECORDS AND REPORTS OF RECIPIENTS.—Each direct or indirect recipient of funds under this section shall keep records that are sufficient to permit the preparation of reports. Each recipient shall submit such reports to the Secretary, at such intervals as shall be determined by the Secretary.

[IDENTIFICATION OF ADDITIONAL IMPOSED REQUIREMENTS

[SEC. 124. If a State or service delivery area imposes a requirement, including a rule, regulation, policy, or performance standard, relating to the administration and operation of programs funded by this Act (including requirements based on State or service delivery area interpretation of any Federal law, regulation, or guideline) the State or area shall identify the requirement as a State- or service delivery area-imposed requirement.

[STATE LABOR MARKET INFORMATION PROGRAMS

[SEC. 125. (a) In order to be eligible for Federal financial assistance for State labor market information programs under this Act from funds made available under section 461(b), the Governor shall designate the State occupational information coordinating committee or other organizational unit to be responsible for oversight and management of a statewide comprehensive labor market and occupational supply and demand information system, which shall—

[(1) design a comprehensive cost-efficient labor market and occupational supply and demand information system which—

[(A) is responsive to the economic demand and education and training supply support needs of the State and areas within the State, and

[(B) meets the Federal standards under chapter 35 of title 44, United States Code, and other appropriate Federal standards established by the Bureau of Labor Statistics;

[(2) standardize available Federal and State multi-agency administrative records and direct survey data sources to produce an employment and economic analysis with a published set of projections for the State and designated areas within the State which, at the minimum, includes—

[(A) identification of geographic and occupational areas of potential growth or decline; and

[(B) an assessment of the potential impact of such growth or decline on individuals, industries, and communities, including occupational supply and demand characteristics data;

[(3) assure, to the extent feasible, that—

[(A) automated technology will be used by the State;

[(B) administrative records have been designed to reduce paperwork; and

[(C) multiple survey burdens on the employers of the State have been reduced;

[(4) publish and disseminate labor market and occupational supply and demand information and individualized career information to State agencies, area public agencies, libraries, and private not-for-profit users, and individuals who are in the process of making career decision choices;

[(5) conduct research and demonstration projects designed to improve any aspect of the statewide information system; and

[(6) provide training and technical assistance to support comprehensive career guidance and participant activities for local programs assisted under this Act.

[(b)(1) The analysis required under clause (2) of subsection (a) shall be used to contribute in carrying out the provisions of this Act, the Carl D. Perkins Vocational Education Act, and the Act of June 6, 1933, known as the Wagner-Peyser Act.

[(2) The assurance required by clause (3) of subsection (a) shall also include that the State will, to the maximum extent possible, assure consolidation of available administrative data and surveys to reduce duplication of recordkeeping of State and local agencies, including secondary and postsecondary educational institutions.

[(3) If any Federal funds are used to carry out clause (5) of subsection (a), access to and information on the results will remain in the public domain.

[(c) The Secretary through the National Occupational Information Coordinating Committee shall reimburse the States the costs of carrying out the provisions of this section but the aggregate reimbursements in any fiscal year shall not exceed the amount available under part E of title IV for this section.

[(d) No provision of this part or any other provision of Federal law shall be construed to prohibit any State from combining or consolidating Federal administrative management information reporting requirements relating to employment, productivity, or training, if notice is transmitted by the Governor to the head of each appropriate Federal and State agency responsible for the laws governing the Federal reporting requirements. The notice shall specify the intent to combine or consolidate such requirements. The head of each appropriate Federal agency shall approve the combination or consolidation unless, within sixty days after receiving the notice, the Federal agency can demonstrate that the combination or consolidation will not meet the essential purposes of the affected Federal law.

[AUTHORITY OF STATE LEGISLATURE

[SEC. 126. Nothing in this Act shall be interpreted to preclude the enactment of State legislation providing for the implementation, consistent with the provisions of this Act, of the programs assisted under this Act.

[INTERSTATE AGREEMENTS

[SEC. 127. In the event that compliance with provisions of this Act would be enhanced by cooperative agreements between States, the consent of Congress is hereby given to such States to enter into such compacts and agreements to facilitate such compliance, subject to the approval of the Secretary.]

TITLE I—STATE AND LOCAL ADMINISTRATIVE PROVISIONS

PART A—STATE ADMINISTRATIVE PROVISIONS

SEC. 101. STATE PLAN.

(a) IN GENERAL.—For a State to be eligible to receive an allotment under title II or III, the Adult Education and Family Literacy Act, or section 6 of the Wagner-Peyser Act (29 U.S.C. 49e), the Governor of the State shall submit to Secretaries, for consideration by the appropriate Secretary, a single comprehensive State plan that provides a 3-year strategy and policy guidance with respect to the Statewide system, and programs authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), operated in the State. Such plan shall meet the requirements of this section and section 102.

(b) CONTENTS.—The State plan shall include the following:

(1) A description of the collaborative process described in section 102, including a description of the manner in which the individuals and entities involved in such process collaborated in the development of the plan and will continue to collaborate in carrying out the functions described in section 102(c).

(2) Information describing—

(A) the needs of the State with regard to current and projected demands for workers, by occupation;

(B) the skills and economic development needs of the State; and

(C) the type and availability of employment and training services in the State.

(3)(A) A description of the State long-term goals for the Statewide system.

(B) An identification of the benchmarks that the State will use to measure its progress toward meeting the goals described in subparagraph (A) based on the core indicators of performance described in section 154.

(C) A description of how the goals and benchmarks will ensure continuous improvement of the Statewide system and make such system relevant and responsive to labor market, skill, and literacy needs at the State and local levels.

(4) An identification of local workforce development areas in the State, including a description of the process used for the designation of such areas.

(5) An identification of criteria to be used by local chief elected officials for the appointment of members of local workforce development boards, consistent with the provisions of section 122.

(6)(A) A description of measures that will be taken by the State to assure coordination and consistency and avoid duplication among employment, training, and literacy programs receiving assistance under this Act, and, at a minimum, programs

carried out under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), the Rehabilitation Act of 1973 (20 U.S.C. 701 et seq.), title I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and programs carried out by the Veterans' Employment and Training Service with funds received under section 4103 of title 38, United States Code, including a description of common data collection and reporting processes.

(B) Information identifying how any funds that a State receives through the allotments made under this Act will be leveraged with other private and public resources (including funds made available to the State under the Wagner-Peyser Act (29 U.S.C. 49 et seq.)) and other human resource programs to maximize the effectiveness of such resources, and expand the participation of business, industry, employees, and individuals in the Statewide system.

(7) A description of the process used by the State to provide an opportunity for public comment, and input into development of the plan, prior to submission of the plan.

(8) A description of the within-State allocation formulas developed through the collaborative process pursuant to sections 204(b)(2) and 313(b), through which the State will distribute funds to local workforce development areas, including—

(A) a description of how the individuals and entities involved in the collaborative process, including representatives of the State legislature, determined the factors for such formulas;

(B) a description of how such individuals and entities consulted with chief elected officials in local workforce development areas throughout the State in determining such formulas; and

(C) assurances that such formulas will result in funds being distributed equitably throughout the State, that no one factor in such formulas receive disproportionate weighting, and that such formulas protect local workforce development areas from significant shifts in funding from year to year.

(9) With respect to employment and training programs for disadvantaged youth authorized under title II, information describing the State's strategy for providing comprehensive services to disadvantaged youth, particularly those youth who are recognized as having significant barriers to employment, and a description of how the State intends to use its State reserve funds (described in section 204(a)) to serve areas in the State with high concentrations of disadvantaged youth.

(10) With respect to employment and training programs for adults and dislocated workers authorized under title III, information—

(A) describing the employment and training activities that will be carried out with the funds received by the State through the allotments made under section 312, including a description of how the State will provide rapid response assistance to dislocated workers from funds reserved under section 313(a)(2);

(B) describing the strategy of the State (including the timeframe for such strategy) for development of a fully operational statewide full service employment and training delivery system as described in section 123, including the steps that the State will take over the 3 years covered by the plan, working with local workforce development boards, to provide information to individuals through the full service employment and training delivery system on the quality of employment, training, and literacy services;

(C) describing the procedures the State will use, working with local workforce development boards, to identify eligible providers of training services described in section 314(c), as required under section 124; and

(D) describing how the State will serve the employment and training needs of dislocated workers (including displaced homemakers), economically disadvantaged individuals (including welfare recipients), individuals training for nontraditional employment, and other individuals with multiple barriers to employment (including older workers and individuals with disabilities).

(11) With respect to adult education and literacy activities authorized under part A of the Adult Education and Family Literacy Act—

(A) a description of the adult education and literacy activities that will be carried out with any funds received such part;

(B) a description of the assessment that will be made to determine the adult education and family literacy needs of the State;

(C) a description of how such activities will be integrated with other adult education, career development, and employment and training activities in the State or outlying area of the eligible agency;

(D) a description of how the eligible agency annually will evaluate the effectiveness of the adult education and literacy activities that are carried out with any funds received under such part;

(E) an assurance that any funds received under such part will not be expended for any purpose other than the activities described in sections 313 and 314 of the Adult Education and Family Literacy Act;

(F) an assurance that the eligible agency will expend any funds received under such part only in a manner consistent with the fiscal requirements in section 315 of such Act;

(G) an assurance that the eligible agency will award grants under such part to providers who offer flexible schedules and necessary support services (such as child care and transportation) to enable individuals, including individuals with disabilities or other special needs to participate in adult education and literacy activities; and

(H) a description of the steps the State will take to ensure direct and equitable access, as stipulated in section 313(c)(2) of the Adult Education and Family Literacy Act.

(12) With respect to programs authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), the plan information required under section 8 of such Act.

(c) PLAN SUBMISSION.—A State plan submitted to the Secretaries under this section shall be approved by the appropriate Secretary unless such Secretary determines that such plan does not comply with the specific provisions of this Act.

(d) SPECIAL RULES.—

(1) GOVERNOR.—The Governor of a State shall have final authority to determine the content of the portion of the State plan described in paragraphs (1) through (10) and paragraph (12) of subsection (b).

(2) ELIGIBLE AGENCY.—The eligible agency for adult education and literacy in a State shall have final authority to determine the content of the portion of the State plan described in paragraph (11) of subsection (b).

(e) MODIFICATIONS TO PLAN.—A State may submit modifications to a State plan in accordance with the requirements of this section and section 102 as necessary during the 3-year period covered by the plan.

SEC. 102. COLLABORATIVE PROCESS.

(a) IN GENERAL.—A State shall use a collaborative process in the development of the State plan described in section 101 and in carrying out the functions described under subsection (c). Such collaborative process shall be carried out by, at a minimum, the following individuals and entities:

(1) the Governor;

(2) representatives, appointed by the Governor, of—

(A) business and industry;

(B) local chief elected officials (representing both cities and counties, where appropriate);

(C) local educational agencies (including adult education and literacy providers);

(D) postsecondary institutions (including community and technical colleges);

(E) organizations representing individuals served by programs authorized under this Act (including community-based organizations);

(F) organizations serving individuals participating in programs authorized under this Act and the Adult Education and Family Literacy Act;

(G) parents; and

(H) employees (which may include labor);

(3) the lead State agency official or officials for—

(A) employment security;

(B) job training;

(C) the State educational agency;

(D) the eligible agency for vocational education;

(E) the eligible agency for adult education and literacy;

(F) the State agency responsible for postsecondary education;

(G) the State agency responsible for welfare; and

(H) the State agency responsible for vocational rehabilitation, and where applicable, the State agency providing vocational rehabilitation program activities for the blind;

(4) such other State agency officials, including officials responsible for economic development, as the Governor may designate;

(5) representatives of the State legislature; and

(6) the representative of the Veterans' Employment and Training Service assigned to the State under section 4103 of title 38, United States Code.

(b) CLARIFICATION.—For purposes of complying with subsection (a), a State may use any State collaborative process (including a council, board, State Human Resource Investment Council established under section 103, or a similar entity) that meets or is conformed to meet the requirements of such subsection.

(c) ADDITIONAL FUNCTIONS OF THE COLLABORATIVE PROCESS.—In addition to development of the State plan, the individuals and entities described in subsection (a) shall collaborate in—

(1) the designation of local workforce areas as required under section 121;

(2) the development of allocation formulas for the distribution of funds to local workforce development areas for programs authorized under title II and title III;

(3) the development of the State goals and benchmarks as required under part C of this title, including the continued updating of such goals and benchmarks;

(4) the provision of management guidance and review for all programs in the State, including review of the operation of programs conducted in each local workforce development area, and the availability, responsiveness, and adequacy of State services, and make recommendations to the Governor, the State legislature, appropriate chief elected officials, local workforce development boards, and service providers throughout the State regarding the findings of such review;

(5) the continued development of linkages between employment, training, literacy, and other human resource and workforce preparation programs in the State;

(6) comment at least once annually on the measures taken pursuant to section 113(b)(14) of the Carl D. Perkins Vocational Education Act; and

(7) review plans of all State agencies providing employment, training, literacy, and related services, and provide comments and recommendations to the Governor, the State legislature, the State agencies, and the appropriate federal agencies on the relevancy and effectiveness of employment, training, literacy, and related delivery systems in the State.

SEC. 103. STATE HUMAN RESOURCE INVESTMENT COUNCIL.

(a) ESTABLISHMENT AND FUNCTIONS.—

(1) IN GENERAL.—Each State may, in accordance with the requirements of this section, establish a single State human resource investment council (in this section referred to as the "State Council") that—

(A) reviews the provision of services and the use of funds and resources under applicable Federal human resource

programs and advises the Governor on methods of coordinating such provision of services and use of funds and resources consistent with the laws and regulations governing such programs;

(B) advises the Governor on the development and implementation of State and local standards and measures relating to applicable Federal human resource programs and coordination of such standards and measures;

(C) carries out the duties and functions prescribed for existing State councils described under the laws relating to the applicable Federal human resource programs;

(D) recommends to the Governor goals for the development and coordination of the human resource system in the State;

(E) prepares and recommends to the Governor a strategy to be included as part of the State plan under section 101 that would accomplish the goals developed pursuant to paragraph (4);

(F) monitors the implementation of and evaluate the effectiveness of the strategic plan prepared pursuant to paragraph (6); and

(G) may serve as the collaborative process described in section 102.

(2) APPLICABLE FEDERAL HUMAN RESOURCE PROGRAM DEFINED.—

(A) IN GENERAL.—For purposes of this section, the term "applicable Federal human resource program" includes any program authorized under the provisions of law described under paragraph (2)(A) that the Governor and the head of the State agency responsible for the administration of such program jointly agree to include within the jurisdiction of the State Council.

(B) PROGRAMS.—In accordance with the requirements of subparagraph (A), applicable Federal human resource programs may include the programs authorized under—

(i) this Act;

(ii) the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.);

(iii) the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.);

(iv) the Adult Education Act (20 U.S.C. 1201 et seq.);

(v) the Wagner-Peyser Act (29 U.S.C. 49 et seq.);

(vi) the employment program established under section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)) and title I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996; and

(vii) the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.).

(b) COMPOSITION.—Each State Council shall be composed of the individuals and entities described in section 102(a).

(c) ADMINISTRATION.—

(1) FUNDING.—In order to carry out the functions of the State Council, each State establishing a State Council that meets the requirements of this section may—

(A) use funds otherwise available for State councils under the applicable Federal human resource programs;

(B) use funds otherwise available for State administrative expenses under the applicable Federal human resource programs, consistent with the laws and regulations governing such programs; and

(C) use funds, services, personnel, facilities and information provided by State and local public agencies, with the consent of such agencies.

(2) PERSONNEL.—Each State Council may obtain the services of such professional, technical, and clerical personnel as may be necessary to carry out its functions.

(3) EQUITABLE FUNDING.—Each State agency participating in a State Council under this section is encouraged to provide funds to support such Council in a manner consistent with its representation on such Council.

PART B—LOCAL ADMINISTRATIVE PROVISIONS

SEC. 121. LOCAL WORKFORCE DEVELOPMENT AREAS.

(a) IN GENERAL.—Except as provided in subsection (b), a State that desires to receive a grant under title II or title III shall, through the collaborative process established under section 102 and after consultation with local chief elected officials, and after consideration of comments received through the public comment process as described in section 101(b)(7) of the State plan, designate local workforce development areas within the State that are consistent with labor market areas, or a substantial portion of a labor market area, and that take into consideration the following:

(1) Units of general local government.

(2) Geographic areas served by local educational agencies and intermediate educational agencies.

(3) Geographic areas served by postsecondary institutions and area vocational education schools.

(4) Service delivery areas established under section 101 of this Act (as such section was in effect on the day before the date of the enactment of the Employment, Training, and Literacy Enhancement Act of 1997).

(5) The distance that individuals will need to travel to receive services.

(b) SMALL STATES.—Any State determined to be eligible to receive a minimum allotment under section 203(b)(2)(D) or paragraph (1)(B)(iv) or paragraph (2)(B)(iv) of section 312(b) may designate itself, through the collaborative process established pursuant to section 102, and after consultation with local chief elected officials, and consideration of comments received through the public comment process described in section 101(b)(7) of the State plan, as a single State workforce development area for purposes of this Act.

SEC. 122. LOCAL WORKFORCE DEVELOPMENT BOARDS.

(a) ESTABLISHMENT.—There shall be established in each local workforce development area of a State, and certified by the Governor of the State, a local workforce development board (hereinafter referred to as the "local board"), reflecting business and community

interests in employment, training, and other workforce preparation activities.

(b) MEMBERSHIP.—

(1) STATE CRITERIA.—The Governor of the State, through the collaborative process described in section 102, shall establish criteria for use by local chief elected officials in the local workforce development areas for appointment of members of the local boards in such local areas in accordance with the requirements of paragraph (2).

(2) COMPOSITION.—Such criteria shall require at a minimum, that the membership of each local board consist of—

(A) a majority of members who are representatives of business and industry in the local workforce development area, who are owners of businesses, chief executives or chief operating officers of private business, and other business executives with optimum policymaking authority in local businesses, appointed from among individuals nominated by local business organizations and trade associations;

(B) representatives of local educational entities, including representatives of local educational agencies, local school boards, postsecondary educational institutions (including representatives of community colleges), and representatives of providers of adult education and literacy services, where such schools, institutions, educators, or providers, as appropriate, exist, selected from among individuals nominated by regional or local educational agencies, institutions, or organizations representing such individuals or entities;

(C) representatives of community-based organizations (including, as appropriate, a community-based organization that provides direct job training and placement services to individuals with disabilities), employees (which may include labor), and other representatives of the public who may include program participants, parents, individuals with disabilities, older workers, veterans, or organizations serving such individuals, as nominated to the board by regional or local agencies, institutions, or organizations representing such individuals or entities; and

(D) representatives of local welfare and economic development agencies.

(3) CHAIRPERSON.—The local board shall elect a chairperson from among the members of the board.

(c) APPOINTMENT AND CERTIFICATION OF BOARD.—

(1) APPOINTMENT OF BOARD MEMBERS AND ASSIGNMENT OF RESPONSIBILITIES.—

(A) IN GENERAL.—The chief elected official in a local workforce development area is authorized to appoint the members of the local board for such area, in accordance with the State criteria established under subsection (b).

(B) MULTIPLE UNITS OF LOCAL GOVERNMENT IN AREA.—

(i) IN GENERAL.—In a case in which a local workforce development area includes more than 1 unit of general local government, the chief elected officials of such units may execute an agreement that specifies the

respective roles of the individual chief elected officials—

(I) in the appointment of the members of the local board from the individuals nominated or recommended to be such members in accordance with the criteria established under subsection (b); and

(II) in carrying out any other responsibilities assigned to such officials.

(ii) Lack of agreement.—If, after a reasonable effort, the chief elected officials are unable to reach agreement as provided under clause (i), the Governor may appoint the members of the local board from individuals so nominated or recommended.

(2) Certification.—

(A) In general.—The Governor is authorized to biennially certify 1 local board for each local workforce development area in the State.

(B) Criteria.—Such certification shall be based on factors including the criteria established under subsection (b) and, for a second or subsequent certification, the extent to which the local board has ensured that employment and training activities and disadvantaged youth activities carried out in the local workforce development area have met expected levels of performance with respect to the local benchmarks negotiated pursuant to subsection (d)(6)(A).

(C) Failure to achieve certification.—Failure of a local board to achieve certification shall result in reappointment and certification of another local board for the local workforce development area pursuant to the process described in paragraph (1) and this paragraph.

(3) Decertification.—

(A) Fiscal noncompliance.—Notwithstanding paragraph (2), the Governor may decertify a local board if it is determined as a result of financial and compliance audits that there is a substantial violation of a specific requirement under this Act and corrective action has not been taken, in accordance with section 164. If the Governor decertifies a local board for a local workforce development area under this subparagraph, the Governor may require that a new local board be appointed and certified for the local workforce development area pursuant to a reorganization plan developed by the Governor under section 164(b)(1) and in accordance with the criteria established under subsection (b).

(B) Nonperformance.—Notwithstanding paragraph (2), the Governor may decertify a local board if a local workforce development area fails to meet the local benchmarks established pursuant to section 153(b) for such local area for two consecutive program years (in accordance with section 156(b)(2)). If the Governor decertifies a local board for a local workforce development area under this subparagraph, the Governor may require that a new local board be appointed and certified for the local area pursuant to a reorganization plan developed by the Governor under section

156(b)(2) and in accordance with the criteria established under subsection (b).

(4) SINGLE STATE AREA.—Notwithstanding subsection (b) and paragraphs (1) and (2), if a State described in section 121(b) indicates in the State plan that the State will be treated as a local workforce development area for purposes of the application of this Act, the Governor may designate the individuals and entities involved in the collaborative process described in section 105 to carry out the functions described in subsection (d).

(d) FUNCTIONS OF LOCAL BOARD.—The functions of the local board shall include the following:

(1) LOCAL PLAN.—

(A) IN GENERAL.—Each local board shall develop and submit to the Governor a comprehensive 3-year strategic local plan. The local plan shall be consistent with the State goals and State plan described in section 101.

(B) CONTENTS.—The local plan shall include—

(i) an identification of the workforce development needs of local industries, job seekers, and workers;

(ii) a description of the disadvantaged youth activities and the employment and training activities for adults and dislocated workers to be carried out in the local workforce development area as required under titles II and III, that, with activities authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), will contribute to the coherent delivery of employment, training and workforce preparation activities in the local area;

(iii) a description of the local benchmarks negotiated with the Governor pursuant to paragraph (6)(A), to be used by the local board for measuring the performance of the local administrative entity (where appropriate), eligible providers of services authorized under titles II and III, and the performance of the full service employment and training delivery system in the local workforce development area;

(iv) a description of the local full service employment and training delivery system to be established or designated in the local workforce development area, including—

(I) a description of the process negotiated with the Governor pursuant to paragraph (6)(B) that the local board will use to designate or certify full service eligible providers in the local workforce development area, which ensures that the most effective and efficient providers will be chosen;

(II) a description of how the local board will ensure the continuous improvement of such full service eligible providers and that such providers will continue to meet the labor market needs of local employers and participants; and

(III) an identification of the roles of individual employment, training, and other human resources programs, as determined appropriate, including programs authorized by the Wagner-Peyser Act (20

U.S.C. 49 et seq.), in carrying out the functions of the full service employment and training delivery system, including a description of the funding sources to be used in the operation of the full service employment and training system;

(v) an identification of the administrative entity designated by the local board in accordance with paragraph (5);

(vi) a description of the steps the local board will take to work with local educational agencies, postsecondary educational institutions (including community colleges, where applicable), vocational educators, providers of adult education and literacy services, and other representatives of the educational community to address local employment, education, and training needs, including a description of linkages established with such individuals and entities to enhance the provision of services, including supportive services, and avoid duplication;

(vii) a description of the process that will be used by the local board to fully involve representatives of the local community, including community-based organizations with experience in serving disadvantaged youth, the local education community (including vocational educators and teachers), parents, youth, local law enforcement agencies, and representatives of business and employees (which may include labor) in the development and implementation of disadvantaged youth programs in the local workforce development area, including a description of the process used (involving the individuals and organizations described in this clause) to ensure that the most effective and efficient providers are chosen to carry out the activities authorized under title II; and

(viii) such other information as the Governor may require.

(C) CONSULTATION.—The local board shall—

(i) consult with the chief elected official in the appropriate local workforce development area in the development of the local plan; and

(ii) provide the chief elected official with a copy of the local plan.

(D) APPROVAL.—

(i) IN GENERAL.—The chief elected official shall—

(I) approve the local plan; or

(II) reject the local plan and make recommendations to the local board on how to improve the local plan.

(ii) SUBMISSION.—If, after a reasonable effort, the local board is unable to obtain the approval of the chief elected official for the local plan, the local board may submit the plan to the Governor for approval under subparagraph (A), and shall submit the recommenda-

tions of the chief elected official to the Governor along with the plan, consistent with subsection (e)(2).

(2) SELECTION OF PROVIDERS.—

(A) SELECTION OF FULL SERVICE PROVIDERS.—Consistent with section 123 and the agreement negotiated with the Governor under paragraph (6)(B)(i), the local board is authorized to designate or certify full service eligible providers, and to terminate for cause, the eligibility of such providers.

(B) SELECTION OF DISADVANTAGED YOUTH PROVIDERS.—Consistent with section 207, the local board is authorized to award grants on a competitive basis to eligible providers of disadvantaged youth activities in the local workforce development area.

(3) IDENTIFICATION OF ELIGIBLE PROVIDERS OF TRAINING SERVICES.—Consistent with section 124, the local board is authorized to work in partnership with the Governor concerning the identification of eligible providers of training services described in section 314(c) in the local workforce development area.

(4) BUDGET AND PROGRAM OVERSIGHT.—

(A) BUDGETING.—

(i) IN GENERAL.—The local workforce development board shall develop a budget for the purpose of carrying out local programs established under titles II and III and section 123.

(ii) APPROVAL OF BUDGET.—Such budget shall be subject to the approval of the chief elected official or officials in the local workforce development area.

(B) PROGRAM OVERSIGHT.—The local workforce development board, in partnership with the chief elected official or officials in the local workforce development area, shall conduct oversight of the programs established under titles II and III and section 123.

(5) ADMINISTRATION.—

(A) DESIGNATION OF ADMINISTRATIVE ENTITY.—

(i) IN GENERAL.—The local workforce development board may designate itself as the administrative entity for receipt and disbursement of funds made available for carrying out programs authorized under title II and title III of this Act, or the local board may designate an administrative entity (which may be the State through a mutual agreement between the local board and the State), for the purpose of receipt and disbursement of such funds.

(ii) ADDITIONAL FISCAL RESPONSIBILITIES.—Each administrative entity shall be responsible for the distribution of funds and shall have responsibility to take action against its subcontractors, subgrantees, and other recipients to eliminate abuses in the programs being carried out in the local workforce development area and to prevent any misuse of funds by subcontractors, subgrantees, and other recipients.

(B) Staff; grants and other contributions.—The local board may employ its own staff, independent of local programs and service providers, and may solicit or accept grants and contributions from sources other than from this Act.

(C) Prohibition on direct provision of services.—

(i) In general.—Except as provided in clause (ii), a local board or employees of such board may not directly provide services under programs established under this Act.

(ii) Waiver.—The Governor of the State in which the local board is located may grant to the local board a written waiver of the prohibition under clause (i) where necessary to improve performance or to provide a full array of services in the local area as may be particularly necessary in rural areas.

(D) Conflict of interest.—A member of a local board may not—

(i) vote on a matter under consideration by the local board—

(I) regarding the provision of services by such member (or by an organization that such member represents); or

(II) that would provide direct financial benefit to such member or the immediate family of such member; or

(ii) engage in any other activity determined by the Governor to constitute a conflict of interest.

(6) Negotiations.—

(A) Local benchmarks.—The local board, the local chief elected official, and the Governor shall negotiate and reach agreement on local benchmarks designed to meet the State goals described in the State plan under section 101 for the local workforce development area. In determining such benchmarks, the Governor, the local chief elected official, and the local board shall take into account the State adjusted benchmarks described in section 153(a) with respect to programs authorized under titles II and III, and specific economic, demographic, and other characteristics of the populations to be served in the local workforce development area.

(B) Local delivery of services.—

(i) In general.—The local board, the local chief elected official, and the Governor shall negotiate and reach agreement on a process to be used by the local board that meets the requirements of subclauses (I) and (II) of paragraph (1)(B)(iv) for—

(I) the designation or certification of full service eligible providers (as described in section 123(c)) in the local workforce development area, including, consistent with State statute, a determination of the role of providers of activities authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) in the

full service delivery of services in the local workforce development area; and

(II) the continued role of the local board and the local elected official in conducting oversight with respect to full service eligible providers that are providers of activities authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.).

(ii) ESTABLISHED FULL SERVICE EMPLOYMENT AND TRAINING DELIVERY SYSTEM.—Notwithstanding this subsection and section 123(c), if a full service employment and training delivery system has been established in a local workforce development area prior to the date of enactment of this Act, or if approval has been obtained for a plan for a full service employment and training delivery system under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) prior to the date of enactment of this Act, the local board and the Governor involved may agree to certify such full service employment and training delivery system for purposes of this subparagraph.

(e) SUNSHINE PROVISION.—

(1) IN GENERAL.—The local board shall make available to the public, on a regular basis, information regarding the activities of the local board, including information regarding membership, the designation and certification of full service employment and training center eligible providers, and the award of grants to eligible providers of disadvantaged youth activities.

(2) LOCAL PLAN.—Prior to the submission of the local plan to the Governor, under subsection (d)(1)(D)(ii), the local board shall make such plan available for review and comment to—

(A) appropriate community-based organizations and local educational and other public agencies in the local workforce development area;

(B) local business organizations and representatives of employees in the local workforce development area; and

(C) the general public through such means as public hearings and local news media.

SEC. 123. FULL SERVICE EMPLOYMENT AND TRAINING DELIVERY SYSTEM.

(a) IN GENERAL.—There shall be established in a State that receives an allotment under section 312, a full service employment and training delivery system that—

(1) shall provide the core services described in subsection (d), including the information described in part E of title IV and labor exchange services authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.);

(2) shall provide access to the activities carried out under subsection (e), if any; and

(3) shall provide access to intensive and training services described in section 314, including serving as the point of distribution of skill grants for training services to participants in accordance with section 314(c)(6)(A).

(b) ACCESS TO DELIVERY OF SERVICES.—

(1) In general.—The State's full service employment and training delivery system shall provide individuals and employers with access to the services described in subsection (a) through a network of eligible providers that assures participants that such services will be available, regardless of where the participants initially enter the system. At a minimum, such services shall be available—

(A) through a network of full service employment and training delivery centers, established in all local workforce development areas in the State, that provide all of the services described in subsection (a); or

(B) at not less than one full service employment and training delivery center in each local workforce development area in the State that provides all of the services described in subsection (a), supplemented with multiple affiliated sites that provide one or more of such services and are linked through electronic and technological access points.

(2) Specialized centers.—Of the full service employment and training delivery centers or affiliated sites described in paragraph (1), such centers or sites may have a specialization in addressing special needs, such as the needs of dislocated workers.

(c) Eligibility for Designation.—Any entity or consortium of entities located in a local workforce development area may be designated or certified by the local workforce development board (in accordance with section 122(d)(2)(A)) through a competitive process, or through an agreement reached between the local board and a consortium of entities, to operate a full service employment and training delivery center or to participate as an affiliated site in the full service employment and training delivery system. Such entities shall be known as "full service eligible providers" and may include—

(1) institutions of higher education;

(2) local employment service offices established under the Wagner-Peyser Act (29 U.S.C. 49 et seq.);

(3) private, nonprofit organizations (including community-based organizations);

(4) private for-profit entities;

(5) agencies of local government; and

(6) other interested organizations and entities of demonstrated effectiveness, including local chambers of commerce and other business organizations, consistent with State criteria as described in the State plan under section 101.

(d) Core Services.—Funds made available to local workforce development areas under section 313(b), in addition to funds made available under the Wagner-Peyser Act, part E of title IV, and other related programs, shall be used to provide core services, which shall be available to all individuals through the full service employment and training delivery system and shall, at a minimum, include—

(1) outreach, intake (which may include worker profiling), and orientation to the information and other services available through the full service employment and training delivery system;

(2) initial assessment of skill levels, aptitudes, abilities, and supportive service needs;

(3) job search and placement assistance, and where appropriate, career counseling;

(4) provision of accurate information relating to local, regional, and national labor markets, including—

(A) job vacancy listings in such markets; and

(B) information relating to local occupations in demand and the earnings and skill requirements for such occupations;

(5) provision of accurate information relating to the quality and availability of employment, training, and literacy activities authorized under titles II and III of this Act and the Adult Education and Family Literacy Act, and of vocational rehabilitation program activities as appropriate, and referral to such activities;

(6) provision of information relating to unemployment compensation, publicly funded employment and training programs (including registered apprenticeships), and forms of public financial assistance, such as student aid programs, that may be available in order to enable individuals to participate in employment, training, literacy, and other workforce preparation activities;

(7) soliciting and accepting job orders submitted by employers in the local workforce development area, and screening and referring applicants in accordance with such orders;

(8) dissemination of lists of eligible training providers and performance information regarding such providers in accordance with section 124; and

(9) any additional performance information with respect to the full service employment and training delivery system in the local workforce development area.

(e) PERMISSIBLE SERVICES.—Funds made available to local workforce development areas under section 313(b) may be used to contribute to, through the full service employment and training delivery system—

(1) co-location of services related to employment, training, and literacy activities, such as unemployment insurance, vocational rehabilitation program activities, veterans' employment services, programs authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), employment-related services for welfare recipients, or other public assistance activities;

(2) customized screening and referral of qualified participants to employment; and

(3) customized employment-related services to employers on a fee-for-service basis.

SEC. 124. IDENTIFICATION OF TRAINING PROVIDERS.

(a) ELIGIBILITY REQUIREMENTS.—

(1) IN GENERAL.—Except as provided in subsection (e), to be identified as an eligible provider of training services under title III and to receive funds made available for the provision of training services described in section 314(c) (referred to in this section as "training services"), a provider of such services shall meet the requirements of this section.

(2) POSTSECONDARY EDUCATIONAL INSTITUTION.—Subject to the provisions of this section, a postsecondary educational insti-

tution shall automatically be eligible to provide training services under title III for—

(A) a program that leads to an associate, baccalaureate, professional, or graduate degree;

(B) a program that—

(i) is at least 2 academic years in length; and

(ii) is acceptable for academic credit toward a baccalaureate degree; or

(C) a program that—

(i) is at least 1 academic year in length;

(ii) is a training program;

(iii) leads to a certificate, degree, or other recognized educational credential; and

(iv) prepares a student for gainful employment in a recognized occupation.

(3) OTHER ELIGIBLE PROVIDERS.—

(A) PROCEDURE.—

(i) IN GENERAL.—The Governor shall establish a procedure for use by local workforce development boards in determining the eligibility of public and private providers not described in paragraph (2) (including eligibility of postsecondary educational institutions for programs not described in paragraph (2)) to receive such funds.

(ii) FACTORS.—In developing such procedure, the Governor—

(I) shall solicit and take into consideration the recommendations of local workforce development boards and providers of training services within the State; and

(II) shall take into consideration—

(aa) the specific economic, geographic, and demographic factors in the local areas in which eligible providers are located; and

(bb) the characteristics of the populations served by the eligible providers, including the demonstrated difficulties in serving such populations, where applicable.

(B) LEVELS OF PERFORMANCE.—At a minimum, the procedure described in subparagraph (A) shall require such a provider to meet minimum acceptable levels of performance based on verifiable program-specific performance information described in subsection (b) and submitted to the State agency designated under subsection (c), as required under paragraphs (2) and (3) of subsection (c).

(b) PERFORMANCE INFORMATION.—

(1) REQUIRED INFORMATION.—Pursuant to subsection (c)(2), to be eligible to provide training services under title III, a provider shall submit information on—

(A) program completion rates for individuals in the applicable program conducted by the provider;

(B) the percentage of individuals in the applicable program who obtain employment, which may also include information specifying the percentage of individuals who ob-

tain employment in an occupation related to the program conducted; and

(C) the earnings at placement of individuals who complete the program.

(2) ADDITIONAL INFORMATION.—Subject to paragraph (3), in addition to the performance information described in paragraph (1), the Governor may require that a provider described in this paragraph submit such other performance information as the Governor determines to be appropriate, which may include information relating to—

(A) the retention in employment and the subsequent earnings of the individuals who complete the applicable program;

(B) where appropriate, the rates of licensure or certification of individuals who complete the program;

(C) the percentage of individuals who complete the program who attain industry-recognized occupational skills in the subject, occupation, or industry for which training is provided, where applicable; and

(D) the adequacy of space, staff, equipment, instructional materials, and student support services offered by the provider through a program conducted by the provider.

(3) CONDITIONS.—

(A) IN GENERAL.—If the Governor requests additional information pursuant to paragraph (2) that imposes extraordinary costs on providers, the Governor shall provide access to cost-effective methods for the collection of such information or provide additional resources to assist providers in the collection of such information from funds made available under section 313(a).

(B) TRANSITION PERIOD FOR PERFORMANCE-BASED INFORMATION.—For program years 1999 and 2000, the performance-based information to be submitted by a provider under this subsection shall only be required to be provided relating to the performance of participants assisted under title III in lieu of all individuals participating in the program of the provider. Nothing in this subparagraph shall be construed to prohibit the submission of performance-based information for all individuals participating in the program of the provider as soon as is practicable prior to program year 2001 and each provider shall be encouraged to submit such information.

(c) ADMINISTRATION.—

(1) DESIGNATION.—The Governor shall designate a State agency to collect and disseminate the performance information described in subsection (b) and to carry out other duties described in this subsection.

(2) SUBMISSION.—A provider described in subsection (a) shall submit the performance information described in subsection (b) annually to the designated State agency at such time and in such manner as the designated State agency may require. The designated State agency may accept program-specific performance information consistent with the requirements for eligibility under title IV of the Higher Education Act of 1965 (20 U.S.C.

1070 et seq.) from such a provider for purposes of enabling the provider to fulfill the applicable requirements of this paragraph, if such information is substantially similar to the information required under subsection (b).

(3) LIST OF ELIGIBLE PROVIDERS.—

(A) IN GENERAL.—The designated State agency shall compile a list of eligible providers accompanied by the performance information described in subsection (b) consisting of—

(i) providers determined to be automatically eligible subject to subsection (a)(2); and

(ii) providers determined to be eligible by local workforce development boards, subject to subsection (a)(3).

(B) AVAILABILITY.—The designated State agency shall disseminate such lists and information to the full service employment and training delivery system and to local boards. Such list and information shall be made widely available to participants in employment and training programs authorized under title III and others through the full service employment and training delivery system described in section 123.

(d) ENFORCEMENT.—

(1) ACCURACY OF INFORMATION.—If the designated State agency determines that a provider or individual supplying information on behalf of a provider intentionally supplies inaccurate information under this section, the agency shall terminate the eligibility of the eligible provider to receive funds described in subsection (a) for a period of time, but not less than 2 years, as prescribed in regulations issued by the Governor.

(2) NON-COMPLIANCE.—If the designated State agency, or the local workforce development board working through the State agency, determines that an eligible provider under subsection (a) substantially violates any requirement under this Act, the agency, or the local board through the State agency, may terminate the eligibility of such provider to receive funds described in subsection (a) for such program or take such other action as the agency or local board determines to be appropriate.

(3) NONPERFORMANCE.—

(A) TERMINATION FOR NONPERFORMANCE.—(i) If the designated State agency determines that an eligible provider under subsection (a)(2) or a program of training services carried out by an eligible provider under subsection (a)(2) substantially fails to meet for 2 or more consecutive years, performance criteria established by the Governor, the agency may terminate the eligibility of such provider.

(ii) If the designated State agency, or the local workforce development board working through the State agency, determines that an eligible provider under subsection (a)(3) or a program of training services carried out by such an eligible provider fails to meet acceptable levels of performance consistent with the procedure established under subsection (a)(3), the agency, or the local board through the State agency, may terminate the eligibility of such provider.

(B) FACTORS.—In establishing the performance criteria described under subparagraph (A)(i), the Governor shall—

(i) solicit and take into consideration the recommendations of local workforce development boards and providers of training services within the State; and

(ii) take into consideration—

(I) the specific economic, geographic, and demographic factors in the local areas in which eligible providers are located; and

(II) the characteristics of the populations served by the eligible providers, including the demonstrated difficulties in serving such populations, where applicable.

(4) ELIGIBILITY UNDER THE HIGHER EDUCATION ACT OF 1965.—If the designated State agency determines that the eligibility of an eligible provider described in subsection (a)(2) under title IV of the Higher Education Act of 1965 has been terminated, the agency—

(A) shall terminate the automatic eligibility of the provider under subsection (a)(2); and

(B) shall require the provider to meet the requirements of subsection (a)(3) to be eligible to receive funds as described in subsection (a).

(5) REPAYMENT.—A provider whose eligibility is terminated under paragraph (1) or (2) for a program shall be liable for repayment of all funds described in subsection (a) received for the program during any period of noncompliance described in such paragraph.

(6) APPEAL.—The Governor shall establish a procedure for an eligible provider to appeal a determination by the local board or the designated state agency that results in the denial or termination of eligibility under this subsection. Such procedure shall provide an opportunity for a hearing and prescribe appropriate time limits to ensure prompt resolution of the appeal.

(7) CONSTRUCTION.—This subsection shall be construed to supplement, but not supplant, other civil and criminal remedies and penalties.

(e) ON-THE-JOB TRAINING EXCEPTION.—

(1) IN GENERAL.—Providers of on-the-job training, and apprenticeship programs registered in accordance with the National Apprenticeship Act, shall not be subject to the requirements of subsection (a), (b), (c), or (d).

(2) COLLECTION AND DISSEMINATION OF INFORMATION.—A full-service eligible provider in a local workforce development area shall collect such performance information from on-the-job training providers as the Governor may require, and disseminate such information through the delivery of core services described in section 123, as appropriate.

[PART C—PROGRAM REQUIREMENTS FOR SERVICE DELIVERY SYSTEM]

PART C—PROGRAM AND FISCAL PROVISIONS

Subpart 1—General Provisions

[GENERAL PROGRAM REQUIREMENTS

[SEC. 141.]

SEC. 141. GENERAL PROGRAM REQUIREMENTS.

Except as otherwise provided, the following conditions are applicable to all programs under this Act:

[(a)] *(1)* Each job training plan shall provide employment and training opportunities to those who can benefit from, and who are most in need of, such opportunities [and shall make efforts to provide equitable services among substantial segments of the eligible population.]. *In addition, efforts shall be made to develop programs which contribute to occupational development, upward mobility, development of new careers, and overcoming sex-stereotyping in occupations traditional for the other sex.*

[(b)] *(2)* Funds provided under this Act shall only be used for activities which are in addition to those which would otherwise be available in the area in the absence of such funds.

[(c)(1) No funds provided under this Act shall be used or proposed for use to encourage or induce the relocation, of an establishment or part thereof, that results in a loss of employment for any employee of such establishment at the original location.

[(2) No funds provided under this Act shall be used for customized or skill training, on-the-job training, or company specific assessments of job applicants or employees, for any establishment or part thereof, that has relocated, until 120 days after the date on which such establishment commences operations at the new location, if the relocation of such establishment or part thereof, results in a loss of employment for any employee of such establishment at the original location.

[(3) If a violation of paragraph (1) or (2) is alleged, the Secretary shall conduct an investigation to determine whether a violation has occurred.

[(4) If the Secretary determines that a violation of paragraph (1) or (2) has occurred, the Secretary shall require the State, service delivery area, or substate grantee that has violated paragraph (1) or (2) to—

[(A) repay to the United States an amount equal to the amount expended in violation of paragraph (1) or (2), in accordance with subsection (d) or (e) of section 164; and

[(B) pay an additional amount equal to the amount required to be repaid under subparagraph (A), unless the State, service delivery area, or substate grantee demonstrates to the Secretary that it neither knew nor reasonably could have known (after an inquiry undertaken with due diligence) that it provided funds in violation of paragraph (1) or (2).

[(5) Amounts received under paragraph (4)(B) shall be deposited in a special account in the Treasury for use by the Secretary for carrying out title III.

[(d)(1) Training provided with funds made available under this Act shall be only for occupations for which there is a demand in the area served or in another area to which the participant is willing to relocate, and consideration in the selection of training programs may be given to training in occupations determined to be in sectors of the economy which have a high potential for sustained demand or growth.

[(2) Efforts shall be made to develop programs which contribute to occupational development, upward mobility, development of new careers, and overcoming sex-stereotyping in occupations traditional for the other sex.

[(3)(A) Commercially available training packages, including advanced learning technology, may be purchased for off-the-shelf prices and without requiring a breakdown of the cost components of the package if such packages are purchased competitively and include performance criteria.

[(B) Tuition charges for training or education provided by an institution of higher education (as defined in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))) or a proprietary institution of higher education (as defined in section 481(b) of such Act (20 U.S.C. 1088(b))), that are not more than the charges for such training or education made available to the general public, do not require a breakdown of cost components.

[(C) With respect to funds provided from the allocation to a service delivery area for any program year that are expended by any community-based organization or nonprofit organization for the cost of administration under part A or C of title II, the service delivery area shall not be subject to the limitation contained in section 108(b)(4)(A) if—

[(i) such funds are expended pursuant to an agreement under which not less than 90 percent of the funds provided to the community-based organization or nonprofit organization are to be expended for the costs of direct training and training-related and supportive services;

[(ii) the expenditures of such funds are charged by the service delivery area to the appropriate cost category;

[(iii) the expenditure of such funds does not result in the service delivery area exceeding the limitation contained in section 108(b)(4)(A) by more than 25 percent of such limitation; and

[(iv) the service delivery area is in compliance with the limitation contained in section 108(b)(4)(B) for such program year, except that such limitation shall be reduced by a percentage equal to one-half of the percentage by which the expenditures of the service delivery area under this subparagraph exceed the limitation under section 108(b)(4)(A).

[(4) Placements made in unsubsidized employment shall be, to the extent practicable, in occupational areas related to the training provided to the participant.]

(3) RELOCATION.—

(A) PROHIBITION ON USE OF FUNDS TO ENCOURAGE OR INDUCE RELOCATION.—No funds provided under title II, III, or IV shall be used or proposed for use to encourage or induce the relocation, of a business or part of a business, that results in a loss of employment for any employee of such business at the original location, if such original location is within the United States.

(B) PROHIBITION ON USE OF FUNDS FOR CUSTOMIZED OR SKILL TRAINING AND RELATED ACTIVITIES AFTER RELOCATION.—No funds provided under title II, III, or IV for an employment and training activity shall be used for customized or skill training, on-the-job training, or company-specific assessments of job applicants or employees, for any business or part of a business, that has relocated, until 120 days after the date on which such business commences operations at the new location, if the relocation of such business or part of a business, results in a loss of employment for any employee of such business at the original location and such original location is within the United States.

(C) REPAYMENT.—If the Secretary of Labor determines that a violation of paragraph (1) or (2) has occurred, the Secretary shall require the State that has violated such paragraph to repay to the United States an amount equal to the amount expended in violation of such paragraph.

[(e)(1) Only eligible individuals residing in the service delivery area may be served by employment and training activities funded under title II, except that the job training plan may provide for limited exceptions to this requirement, including exceptions necessary to permit services to homeless individuals who cannot prove residence within the service delivery area.

[(2) Any service delivery area] *(4) Any local workforce development area* may enter into an agreement or contract with another [service delivery area] *local workforce development area* (including a [service delivery area] *local workforce development area* that is a city or county within the same labor market) to pay or share the cost of educating, training, or placing individuals participating in programs assisted under this Act, including the provision of supportive services. Such agreement or contract shall be approved by each [private industry council] *local workforce development board* providing guidance to the [service delivery area] *local workforce development area* and shall be described in the job training plan under [section 104] *section 122(d)(1).*

[(f) No member of any council under this Act shall cast a vote on the provision of services by that member (or any organization which that member directly represents) or vote on any matter which would provide direct financial benefit to that member.

[(g)(1) Payments to employers for on-the-job training shall not, during the period of such training, average more than 50 percent of the wages paid by the employer to such participants, and payments in such amount shall be deemed to be in compensation for the extraordinary costs associated with training participants under this Act and in compensation for the costs associated with the lower productivity of such participants.

[(2) On-the-job training authorized under the Act for a participant shall be limited in duration to a period not in excess of that generally required for acquisition of skills needed for the position within a particular occupation, but in no event shall exceed 6 months, unless the total number of hours of such training is less than 500 hours. In determining the period generally required for acquisition of the skills, consideration shall be given to recognized reference material (such as the Dictionary of Occupational Titles), the content of the training of the participant, the prior work experience of the participant, and the service strategy of the participant.

[(3)(A) Each on-the-job training contract shall—

[(i) specify the types and duration of on-the-job training and the other services to be provided in sufficient detail to allow for a fair analysis of the reasonableness of proposed costs; and

[(ii) comply with the applicable requirements of section 164.

[(B) Each on-the-job training contract that is not directly contracted by a service delivery area with an employer (but instead is contracted through an intermediary brokering contractor) shall, in addition to meeting the requirements of subparagraph (A), specify the outreach, recruitment, participant training, counseling, placement, monitoring, followup, and other services to be provided directly by the brokering contractor within its own organization, the services to be provided by the employers conducting the on-the-job training, and the services to be provided, with or without cost, by other agencies and subcontractors.

[(C) If a brokering contractor enters into a contract with a subcontractor to provide training or other services, the brokering contractor shall ensure, through on-site monitoring, compliance with subcontract terms prior to making payment to the subcontractor.]

[(4) In accordance with regulations issued by the Secretary, on-the-job training contracts] *(5) On-the-job training contracts* under this Act shall not be entered into with employers who have received payments under previous contracts and have exhibited a pattern of failing to provide on-the-job training participants with continued long-term employment as regular employees with wages and employment benefits (including health benefits) and working conditions at the same level and to the same extent as other employees working a similar length of time and doing the same type of work.

[(h) Funds provided under this Act shall not be used to duplicate facilities or services available in the area (with or without reimbursement) from Federal, State, or local sources, unless the plan establishes that alternative services or facilities would be more effective or more likely to achieve performance goals.

[(i) Each administrative entity shall be responsible for the allocation of funds and the eligibility of those enrolled in its programs and shall have responsibility to take action against its subcontractors, subgrantees, and other recipients to eliminate abuses in the programs they are carrying out, and to prevent any misuse of funds by such subcontractors, subgrantees, and other recipients. Administrative entities may delegate the responsibility for determination of eligibility under reasonable safeguards, including provisions for reimbursement of cost incurred because of erroneous determinations

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made with insufficient care, if such an arrangement is included in an approved job training plan.]

(6)(A) Upon the approval of the Governor, real property in which, as of July 1, 1998, equity has resulted from funds provided under title III of the Social Security Act, section 903(c) of such Act (commonly referred to as the "Reed Act"), or the Wagner-Peyser Act (29 U.S.C. 49 et seq.) may be used for the purposes of a full service employment and training delivery center.

(B) Unless otherwise provided in a plan approved pursuant to section 101, subsequent to the commencement of the use of the property described in paragraph (1) for the purposes of a full service employment and training delivery center, funds provided under the provisions of law described paragraph (1) may only be used to acquire further equity in such property, or to pay operating and maintenance expenses relating to such property in proportion to the extent of the use of such property attributable to the activities authorized under such provisions of law.

[(j)] *(7)* No person or organization may charge an individual a fee for the placement or referral of such individual in or to a training program under this Act.

[(k) No funds may be provided under this Act for any subsidized employment with any private for-profit employer unless the individual employed is a youth aged 16 to 21, inclusive, who is economically disadvantaged and the employment is provided in accordance with subparagraphs (F) and (H) of section 264(c)(1).]

[(l)] *(8)* The Secretary shall not provide financial assistance for any program under this Act which involves political activities.

[(m)(1)] *(9)(A)* Income under any program administered by a public or private nonprofit entity may be retained by such entity only if used to continue to carry out the program.

[(2)] *(B)* Income subject to the requirements of paragraph (1) shall include—

[(A)] *(i)* receipts from goods or services (including conferences) provided as a result of activities funded under the Act;

[(B)] *(ii)* funds provided to a service provider under the Act that are in excess of the costs associated with the services provided; and

[(C)] *(iii)* interest income earned on funds received under this Act.

[(3)] *(C)* For the purposes of this subsection, each entity receiving financial assistance under this Act shall maintain records sufficient to determine the amount of income received and the purposes for which such income is expended.

[(n)] *(10)* The Secretary shall notify the Governor and the appropriate [private industry councils] *local workforce development boards* and chief elected officials of, and consult with the Governor and such [councils] *boards* and officials concerning, any activity to be funded by the Secretary under [this Act] *title II or title III* within the State or [service delivery area] *local workforce development area*; and the Governor shall notify the appropriate [private industry councils] *local* *workforce development boards* and chief elected officials of, and consult with such concerning, any activity to be funded by the Governor under [this Act] *title II or title III* within the [service delivery area] *local workforce development area.*

[(o)(1)] *(11)(A)* All education programs for youth supported with funds provided under title II shall be consistent with applicable State and local educational standards.

[(2)] *(B)* Standards and procedures with respect to the awarding of academic credit and certifying educational attainment in programs conducted under such title shall be consistent with the requirements of applicable State and local law and regulation.

[(p)] *(12)* No funds available under [part B of this title or part A or C of title II] *this Act* may be used for public service employment *except as specifically authorized under this Act.*

[(q)] *(13)* No funds available under this Act shall be used for employment generating activities, economic development activities, investment in revolving loan funds, capitalization of businesses, investment in contract bidding resource centers, and similar activities *which are not directly related to training or related services for eligible individuals under this Act.* No funds under title II or III of this Act shall be used for foreign travel.

[(r)] *(14)* The Federal requirements governing the title, use, and disposition of real property, equipment, and supplies purchased with funds provided under this Act shall be the Federal requirements generally applicable to Federal grants to States and local governments.

[(s)(1) Notwithstanding title II of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.) and any other provision of law, the Secretary and the Secretary of Education shall receive priority by the Secretary of Defense for the direct transfer, on a nonreimbursable basis, of the property described in paragraph (2) for use in carrying out programs under this Act or under any other Act.

[(2) The property described in this paragraph is both real and personal property under the control of the Department of Defense that is not used by such Department, including property that the Secretary of Defense determines is in excess of current and projected requirements of such Department.]

(15) PROHIBITION ON ENTITLEMENT TO SERVICE.—Nothing in this Act shall be construed to provide an individual with an entitlement to a service under this Act.

(16) FEE FOR SERVICE AUTHORITY.—Services, facilities, and equipment funded under titles II and III may be used, as appropriate, on a fee for service basis, by employers in a local workforce development area in order to provide employment and training services to incumbent workers—

> *(A) when such services, facilities, or equipment are not in use for the provision of services for eligible program participants under title II or title III, respectively;*
>
> *(B) if such use would not have an adverse effect on the provision of services to eligible program participants under title II or title III, respectively; and*

(C) if the income derived from such fees is used to carry out the programs authorized under title II or title III, respectively.

[BENEFITS

[SEC. 142. (a) Except as otherwise provided in this Act, the following provisions shall apply to all activities financed under this Act:

[(1) A trainee shall receive no payments for training activities in which the trainee fails to participate without good cause.

[(2) Individuals in on-the-job training shall be compensated by the employer at the same rates, including periodic increases, as similarly situated employees or trainees and in accordance with applicable law, but in no event less than the higher of the rate specified in section 6(a)(1) of the Fair Labor Standards Act of 1938 or the applicable State or local minimum wage law.

[(3) Individuals employed in activities authorized under this Act shall be paid wages which shall not be less than the highest of (A) the minimum wage under section 6(a)(1) of the Fair Labor Standards Act of 1938, (B) the minimum wage under the applicable State or local minimum wage law, or (C) the prevailing rates of pay for individuals employed in similar occupations by the same employer.]

SEC. 142. BENEFITS.

(a) WAGES.—

(1) IN GENERAL.—Individuals in on-the-job training or individuals employed in activities under this Act shall be compensated at the same rates, including periodic increases, as trainees or employees who are similarly situated in similar occupations by the same employer and who have similar training, experience and skills, and such rates shall be in accordance with applicable law, but in no event less than the higher of the rate specified in section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) or the applicable State or local minimum wage law.

[(4)] *(2) REFERENCES.*—References in paragraphs (2) and (3) to section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1))—

(A) shall be deemed to be references to section 6(c) of that Act for individuals in the Commonwealth of Puerto Rico;

(B) shall be deemed to be references to section 6(a)(3) of that Act for individuals in American Samoa; and

(C) shall not be applicable for individuals in other territorial jurisdictions in which section 6 of the Fair Labor Standards Act of 1938 does not apply.

(b) [Allowances] *ADDITIONAL REQUIREMENT.—Allowances*, earnings and payments to individuals participating in programs under this Act shall not be considered as income for the purposes of determining eligibility for and the amount of income transfer and in-kind aid furnished under any Federal or federally assisted program based on need, other than as provided under the Social Security Act.

[LABOR STANDARDS

[SEC. 143. (a)(1) Conditions of employment and training shall be appropriate and reasonable in light of such factors as the type of work, geographical region, and proficiency of the participant.

[(2) Health and safety standards established under State and Federal law, otherwise applicable to working conditions of employees, shall be equally applicable to working conditions of participants. With respect to any participant in a program conducted under this Act who is engaged in activities which are not covered by health and safety standards under the Occupational Safety and Health Act of 1970, the Secretary shall prescribe, by regulation, such standards as may be necessary to protect the health and safety of such participants.

[(3) To the extent that a State workers' compensation law is applicable, workers' compensation benefits in accordance with such law shall be available with respect to injuries suffered by participants. To the extent that such law is not applicable, each recipient of funds under this Act shall secure insurance coverage for injuries suffered by such participants, in accordance with regulations prescribed by the Secretary.

[(4) All individuals employed in subsidized jobs shall be provided benefits and working conditions at the same level and to the same extent as other employees working a similar length of time and doing the same type of work.

[(5) No funds available under this Act may be used for contributions on behalf of any participant to retirement systems or plans.

[(b)(1) No currently employed worker shall be displaced by any participant (including partial displacement such as a reduction in the hours of nonovertime work, wages, or employment benefits).

[(2) No program under this Act shall impair—

[(A) existing contracts for services; or

[(B) existing collective bargaining agreements, unless the employer and the labor organization concur in writing with respect to any elements of the proposed activities which affect such agreement, or either such party fails to respond to written notification requesting its concurrence within 30 days of receipt thereof.

[(3) No participant shall be employed or job opening filled (A) when any other individual is on layoff from the same or any substantially equivalent job, or (B) when the employer has terminated the employment of any regular employee or otherwise reduced its workforce with the intention of filling the vacancy so created by hiring a participant whose wages are subsidized under this Act.

[(4) No jobs shall be created in a promotional line that will infringe in any way upon the promotional opportunities of currently employed individuals.

[(c)(1) Each recipient of funds under this Act shall provide to the Secretary assurances that none of such funds will be used to assist, promote, or deter union organizing.

[(2) Where a labor organization represents a substantial number of employees who are engaged in similar work or training in the same area as that proposed to be funded under this Act, an opportunity shall be provided for such organization to submit comments with respect to such proposal.

[(d) All laborers and mechanics employed by contractors or subcontractors in any construction, alteration, or repair, including painting and decorating, of projects, buildings, and works which are federally assisted under this Act, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary in accordance with the Act of March 3, 1931 (40 U.S.C. 276a–276a–5), popularly known as the Davis-Bacon Act. The Secretary shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 1, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)). The provisions of this subsection shall not apply to a bona fide trainee in a training program under this Act. The provisions of section 167(a)(4) shall apply to such trainees.

[GRIEVANCE PROCEDURE

[SEC. 144. (a) Each administrative entity, contractor, and grantee under this Act shall establish and maintain a grievance procedure for grievances or complaints about its programs and activities from participants, subgrantees, subcontractors, and other interested persons. Hearings on any grievance shall be conducted within 30 days of filing of a grievance and decisions shall be made not later than 60 days after the filing of a grievance. Except for complaints alleging fraud or criminal activity, complaints shall be made within one year of the alleged occurrence.

[(b) Each recipient of financial assistance under this Act which is an employer of participants under this Act shall continue to operate or establish and maintain a grievance procedure relating to the terms and conditions of employment.

[(c) Upon exhaustion of a recipient's grievance procedure without decision, or where the Secretary has reason to believe that the recipient is failing to comply with the requirements of this Act or the terms of the job training plan, the Secretary shall investigate the allegation or belief and determine within 120 days after receiving the complaint whether such allegation or complaint is true.

[(d)(1) If a person alleges a violation of section 143 and such person exhausts the recipient's grievance procedure or the 60-day time period described in subsection (a) has elapsed without a decision, either party to such procedure may submit the grievance to the Secretary. The Secretary shall investigate the allegations contained in the grievance and make a determination as to whether a violation of section 143 has occurred.

[(2) If the results of the investigation conducted pursuant to paragraph (1) indicate that a modification or reversal of the decision issued pursuant to the recipient's grievance procedure is warranted, or the 60-day time period described in subsection (a) has elapsed without a decision, the Secretary may modify or reverse the decision, or issue a decision if no decision has been issued, as the case may be, after an opportunity for a hearing in accordance with the procedures under section 166.

[(3) If the Secretary determines that the decision issued pursuant to the recipient's grievance procedure is appropriate, the determination shall become the final decision of the Secretary.

[(e)(1) A person alleging a violation of section 143 may, as an alternative to the procedures described in this section, submit the grievance involving such violation to a binding grievance procedure if a collective bargaining agreement covering the parties to the grievance so provides.

[(2) The remedies available under paragraph (1) shall be limited to the remedies available under subsection (f)(1)(C) and subsection (f)(2).

[(f)(1) Except as provided in paragraph (2), remedies available to grievants under this section for violations of section 143 shall be limited to—

[(A) suspension or termination of payments under this Act;

[(B) prohibition of placement of a participant, for an appropriate period of time, in a program under this Act with an employer that has violated section 143, as determined under subsection (d) or (e); and

[(C) appropriate equitable relief (other than back pay).

[(2) In addition to the remedies available under paragraph (1), remedies available under this section for violations of subsection (a)(4), paragraphs (1) and (3) of subsection (b), and subsection (d) of section 143 may include—

[(A) reinstatement of the grievant to the position held by such grievant prior to displacement;

[(B) payment of lost wages and benefits; and

[(C) reestablishment of other relevant terms, conditions, and privileges of employment.

[(g) Nothing in subsection (f) shall be construed to prohibit a grievant from pursuing a remedy authorized under another Federal, State, or local law for a violation of section 143.]

SEC. 143. LABOR STANDARDS.

(a) LIMITATIONS ON ACTIVITIES THAT IMPACT WAGES OF EMPLOYEES.—No funds provided under this title shall be used to pay the wages of incumbent employees during their participation in economic development activities provided through the statewide system.

(b) DISPLACEMENT.—

(1) PROHIBITION.—A participant in an activity authorized under title II, III, or IV of this Act (referred to in this section as a "specified activity") shall not displace (including a partial displacement, such as a reduction in the hours of nonovertime work, wages, or employment benefits) any currently employed employee (as of the date of the participation).

(2) PROHIBITION ON IMPAIRMENT OF CONTRACTS.—A specified activity shall not impair an existing contract for services or collective bargaining agreement, and no such activity that would be inconsistent with the terms of a collective bargaining agreement shall be undertaken without the written concurrence of the labor organization and employer concerned.

(c) OTHER PROHIBITIONS.—A participant in a specified activity shall not be employed in a job—

(1) when any other individual is on layoff from the same or any substantially equivalent job;

(2) when the employer has terminated the employment of any regular employee or otherwise reduced the workforce of the employer with the intention of filling the vacancy so created with the participant; or

(3) which is created in a promotional line that will infringe in any way upon the promotional opportunities of currently employed individuals.

(d) HEALTH AND SAFETY.—Health and safety standards established under Federal and State law otherwise applicable to working conditions of employees shall be equally applicable to working conditions of participants engaged in specified activities. To the extent that a State workers' compensation law applies, workers' compensation shall be provided to participants on the same basis as the compensation is provided to other individuals in the State in similar employment.

(e) EMPLOYMENT CONDITIONS.—Individuals in on-the-job training or individuals employed in activities under this Act, shall be provided benefits and working conditions at the same level and to the same extent as other trainees or employees working a similar length of time and doing the same type of work.

(f) OPPORTUNITY TO SUBMIT COMMENTS.—Interested parties shall be provided an opportunity to submit comments with respect to training programs proposed to be funded under this Act.

SEC. 144. GRIEVANCE PROCEDURE.

(a) IN GENERAL.—Each State receiving an allotment under this Act shall establish and maintain a procedure for grievances or complaints alleging violations of the requirements of this Act from participants and other interested or affected parties. Such procedure shall include an opportunity for a hearing and be completed within 60 days of filing the complaint.

(b) INVESTIGATION.—

(1) IN GENERAL.—The Secretary shall investigate an allegation of a violation described in subsection (a) if—

(A) a decision relating to such violation has not been reached within 60 days after the date of the filing of the grievance or complaint and either party appeals to the Secretary; or

(B) a decision relating to such violation has been reached within such 60 days and the party to which such decision is adverse appeals such decision to the Secretary.

(2) ADDITIONAL REQUIREMENT.—The Secretary shall make a final determination relating to an appeal made under paragraph (1) no later than 120 days after receiving such appeal.

(c) REMEDIES.—Remedies shall be limited—

(1) to suspension or termination of payments under this Act;

(2) to prohibition of placement of a participant with an employer that has violated any requirements under this Act;

(3) where applicable, to reinstatement of an employee, payment of lost wages and benefits, and reestablishment of other relevant terms, conditions and privileges of employment; and

(4) where appropriate, to other equitable relief.

[PROHIBITION AGAINST FEDERAL CONTROL OF EDUCATION

[SEC. 145.]

SEC. 145. PROHIBITION AGAINST FEDERAL CONTROL OF EDUCATION.

No provision of this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, school, or school system, or over the selection of library resources, textbooks, or other printed or published instructional materials by any educational institution or school system.

SEC. 146. IDENTIFICATION OF ADDITIONAL IMPOSED REQUIREMENTS.

If a State or workforce development area imposes a requirement, including a rule, regulation, policy, or performance standard, relating to the administration and operation of programs funded by this Act (including requirements based on State or workforce development area interpretation of any Federal law, regulation, or guideline) the State or area shall identify the requirement as a State- or workforce development area-imposed requirement.

SEC. 147. AUTHORITY OF STATE LEGISLATURE.

Nothing in this Act shall be interpreted to preclude the enactment of State legislation providing for the implementation, consistent with the provisions of this Act, of the programs assisted under this Act. Any funds received by a State under title II or III of this Act shall be subject to appropriation by the State legislature, consistent with the terms and conditions required under this Act.

SEC. 148. INTERSTATE AGREEMENTS.

In the event that compliance with provisions of this Act would be enhanced by cooperative agreements between States, the consent of Congress is hereby given to such States to enter into such compacts and agreements to facilitate such compliance, subject to the approval of the Secretary.

Subpart 2—Performance Accountability Provisions

SEC. 151. PERFORMANCE ACCOUNTABILITY SYSTEM.

In order to promote high levels of performance and to ensure an appropriate return on the Nation's investment in employment, training, and literacy programs, each State receiving funds under this Act or the Adult Education and Family Literacy Act shall implement a statewide performance accountability system that meets the requirements of this subpart.

SEC. 152. INDICATORS OF PERFORMANCE.

(a) STATE BENCHMARKS.—

(1) IN GENERAL.—Each State receiving funds under this Act shall identify indicators and related levels of performance (hereinafter referred to as 'State benchmarks'), for each of the programs established under titles II, III, and V of this Act, to be used to measure the State's progress in meeting the State long-term goals described in the State plan under section 101. Such State benchmarks shall, at a minimum—

(A) include the core indicators of performance described in section 154;

(B) be expressed in an objective, quantifiable, and measurable form; and

(C) show the progress of the State to continuously improve in performance over the 3-year period covered by the State plan.

(2) CUSTOMER SATISFACTION.—Such State benchmarks may also include post-program surveys and other measures of customer satisfaction of both employers and program participants.

(b) TECHNICAL DEFINITIONS OF CORE INDICATORS.—In order to ensure nationwide comparability of performance data, the Secretary of Labor and the Secretary of Education, in collaboration with the States, localities, representatives of business and industry, employees, employment and training service providers, State directors of adult education, providers of adult education and literacy services, individuals with expertise in serving the employment and training needs of disadvantaged youth, participants, parents and other interested parties with expertise in the provision of employment, training, literacy, and related services, shall promulgate definitions of each of the core indicators of performance described in section 154, with the exception of the indicators described under subsections (a)(6), (b)(1), (b)(5), (c)(1), and (c)(5) of such section, to be used under this Act in measuring performance.

SEC. 153. STATE ADJUSTED BENCHMARKS.

(a) NEGOTIATION.—

(1) IN GENERAL.—In order to ensure an adequate return on the investment of Federal funds in employment, training, and literacy programs authorized under this Act and the Adult Education and Family Literacy Act, the appropriate Secretary is authorized to negotiate with each State the levels of performance expected to be achieved by such State based upon the State's benchmarks established pursuant to section 152(a)(1) (hereinafter referred to as the 'State adjusted benchmarks'), for the core indicators of performance described in section 154 (except for the indicators described under subsections (a)(6), (b)(1), (b)(5), (c)(1), and (c)(5) of such section). Such negotiations shall take into account—

(A) whether the levels will enable each State to attain the State goals;

(B) how the levels compare with the levels established by other States, taking into consideration the specific circumstances, including economic circumstances, of each State;

(C) how the levels compare with the model levels of performance identified pursuant to subsection (c); and

(D) the extent to which such levels demonstrate continuous improvement in performance by such State and ensure an adequate return on the investment of Federal funds.

(2) AUTHORITY OF GOVERNOR.—The Governor of a State is authorized to carry out the negotiation described in paragraph (1) for programs authorized under titles II and III.

(3) AUTHORITY OF ELIGIBLE STATE AGENCY.—The eligible State agency for adult education and literacy programs is au-

thorized to carry out the negotiation described in paragraph (1) for programs authorized under the Adult Education and Family Literacy Act.

(b) LOCAL BENCHMARKS FOR EMPLOYMENT AND TRAINING PROGRAMS.—Based on the expected levels of performance established pursuant to subsection (a), each State shall negotiate with the local workforce development board and the chief local elected official in each local workforce development area (consistent with section 122(d)(6)(A)) the levels of performance for each indicator that are expected for such local workforce development areas. Such levels of performance shall be known as 'local benchmarks'.

(c) MODEL LEVELS OF PERFORMANCE.—In order to encourage high levels of performance and advance the Nation's competitiveness, the Secretary of Labor and the Secretary of Education, in collaboration with the States, localities, and with representatives of business and industry, employees, employment and training service providers, State directors of adult education, providers of adult education and literacy services, individuals with expertise in serving the employment and training needs of disadvantaged youth, participants, parents and other interested parties with expertise in the provision of employment, training, literacy, and related services, shall identify challenging model levels of performance (hereinafter referred to as 'model levels of performance') with respect to the core indicators of performance described in section 154, with the exception of the indicators described under subsections (a)(6), (b)(1), (b)(5), (c)(1), and (c)(5).

SEC. 154. CORE INDICATORS OF PERFORMANCE.

(a) CORE INDICATORS FOR ADULT EMPLOYMENT AND TRAINING PROGRAMS.—The common core indicators of performance for programs authorized under title III of this Act shall include measures of—

(1) placement in unsubsidized employment;

(2) retention in unsubsidized employment for not less than 6 months and for not less than 12 months, respectively;

(3) increases in earnings or in earnings in combination with employer-assisted benefits;

(4) reductions in welfare dependency;

(5) attainment of industry-recognized occupational skills;

(6) attainment of a high school diploma or a general equivalency diploma; and

(7) such other measures of performance as the State may wish to collect.

(b) CORE INDICATORS FOR ADULT EDUCATION AND LITERACY PROGRAMS.—The core indicators of performance for programs conducted under the Adult Education and Family Literacy Act shall include measures of—

(1) achievement in the areas of reading, writing, English language acquisition, problem solving, numeracy, and other literacy skills;

(2) receipt of a high school diploma or a general equivalency diploma;

(3) entry into a postsecondary school, job retraining program, employment, or career advancement;

(4) attainment of the literacy skills and knowledge individuals need to be productive and responsible citizens and to become more actively involved in the education of their children; and

(5) such other measures of performance as the State may wish to collect.

(c) CORE INDICATORS FOR DISADVANTAGED YOUTH.—The core indicators of performance for programs conducted under title II shall include measures of—

(1) attainment of challenging State academic proficiencies;

(2) attainment of secondary school diplomas or general equivalency diplomas;

(3) attainment of industry-recognized work readiness and occupational skills;

(4) placement in, retention in, and completion of postsecondary education or advanced training, or placement and retention in military service, employment, or qualified apprenticeships; and

(5) such other measures of performance as the State may wish to collect.

(d) POPULATION INDICATORS.—

(1) ADULT EMPLOYMENT AND TRAINING PROGRAMS.—The core indicators of performance for programs conducted under title III, as provided under subsection (a), shall include measures of the success of individuals with multiple barriers to employment, including economically disadvantaged individuals (including welfare recipients), displaced homemakers, older workers, and other individuals as determined by the State.

(2) ADULT EDUCATION AND LITERACY PROGRAMS.—The core indicators of performance for programs conducted under the Adult Education and Family Literacy Act, as provided under subsections (a) and (b), shall include measures of the success of economically disadvantaged individuals, individuals with limited literacy (as determined by the eligible agency), and other individuals as determined by the eligible agency.

(3) DISADVANTAGED YOUTH PROGRAMS.—The core indicators of performance for programs conducted under title II, as provided under subsection (c), shall include measures of the success of hard to serve youth, including individuals who are school dropouts or whose educational attainment is one or more grade levels below the grade level appropriate to the age of the individual, and other individuals as determined by the State.

SEC. 155. REPORT ON PERFORMANCE.

(a) IN GENERAL.—Each State that receives funds under titles II and III of this Act and the Adult Education and Family Literacy Act shall annually prepare and submit to the Secretary of Labor and the Secretary of Education (for consideration by the appropriate Secretary) a report on the levels of performance achieved by the State with respect to the State adjusted benchmarks identified pursuant to section 153(a), and by each local workforce development area with respect to the local benchmarks identified pursuant to section 153(b) for programs authorized under title II and title III for each program year. In preparing such report, the State may include

information on such additional benchmarks as the State may establish to meet the State goals.

(b) INFORMATION DISSEMINATION.—The Secretary of Labor and the Secretary of Education—

(1) shall make the information contained in such reports available to the general public through publication and other appropriate methods;

(2) shall disseminate State-by-State comparisons of the information; and

(3) shall provide the appropriate congressional committees with copies of such reports.

SEC. 156. INCENTIVE GRANTS AND SANCTIONS.

(a) INCENTIVE GRANTS.—

(1) AWARD OF GRANTS.—From amounts made available under section 452 and section 502 for any fiscal year, the appropriate Secretary may award incentive grants to States that—

(A) exceed, during the most recent 12-month period for which data are available, the adjusted State benchmarks described under section 153(a);

(B) demonstrate continuing progress toward exceeding, during the 3-year period covered by the State plan submitted under section 101, the adjusted State benchmarks described under section 153(a); or

(C) demonstrate significant progress in the coordination and integration of employment, training, literacy, and other human resource and workforce preparation programs within the State, and demonstrate high performance in such programs.

(2) TECHNICAL ASSISTANCE.—The Secretary, upon request, shall provide technical assistance to any State that does not qualify for receipt of an incentive grant under paragraph (1).

(3) USE OF FUNDS.—A State that receives an incentive grant under paragraph (1) may use funds made available under such grant only to carry out employment, training, or literacy activities.

(b) SANCTIONS.—

(1) STATES.—

(A) TECHNICAL ASSISTANCE.—If a State fails to meet expected levels of performance for a program for any program year as established pursuant to section 153(a), the Secretary of Labor for programs established under title II and title III, or the Secretary of Education for programs established under the Adult Education and Family Literacy Act, shall, upon request, provide technical assistance, including assistance in the development of a performance improvement plan.

(B) REDUCTION IN AMOUNT OF GRANT.—If such failure continues for a second consecutive year, the appropriate Secretary may reduce by not more than 5 percent, the amount of the grant that would (in the absence of this paragraph) be payable to the State under such program for the immediately succeeding program year. Such penalty shall be based on the degree of failure to meet adjusted levels of performance.

(2) Local areas.—

(A) Technical assistance.—If a local workforce development area, or other applicable local administrative entity, fails to meet expected levels of performance for a program for any program year under section 153(b), the Governor, upon request to the Secretary, shall provide technical assistance, including the development of a performance improvement plan.

(B) Corrective actions.—

(i) In general.—If such failure continues for a second consecutive year, the Governor shall take corrective actions, which may include development of a reorganization plan through which the Governor may require the appointment of a new local board (consistent with the criteria established under section 122(b)), prohibit the use of designated service providers, require the redesignation of a local administrative entity (in such case chosen jointly by the Governor and the chief elected official in the local workforce development area), or such other actions as the Governor determines are appropriate, consistent with State law, and the requirements of this subparagraph.

(ii) Appeal by workforce development area.—A workforce development area that is subject to a reorganization plan under clause (i) may, not later than 30 days after receiving notice thereof, appeal to the Secretary to rescind or revise such plan. In such case, the Secretary shall make a final decision not later than 45 days after the receipt of the appeal.

(iii) Effective date.—The actions taken by the Governor under clause (i) shall not become effective until the time the appeal has expired (consistent with clause (ii)), or the Secretary has issued a final decision.

[PART D—FEDERAL AND FISCAL ADMINISTRATIVE PROVISIONS]

Subpart 3—Other Provisions

[PROGRAM YEAR

[SEC. 161. (a)]

SEC. 161. PROGRAM YEAR.

(a) Program Year.—Beginning with fiscal year 1985 and thereafter, appropriations for any fiscal year for programs and activities under this Act shall be available for obligation only on the basis of a program year. The program year shall begin on July 1 in the fiscal year for which the appropriation is made.

[(b)] *(b) Availability.*—(1) Funds obligated for any program year may be expended by each recipient during that program year and the two succeeding program years and no amount shall be deobligated on account of a rate of expenditure which is consistent with the job training plan.

(2) Notwithstanding paragraph (1), funds obligated for any program year for programs authorized by section 452 of part D of title IV of this Act shall remain available until expended.

[PROMPT ALLOCATION OF FUNDS

[SEC. 162. (a)]

SEC. 162. PROMPT ALLOCATION OF FUNDS.

(a) Allotments and Allocations Based on Latest Available Data.—All allotments and allocations under this Act shall be based on the latest available data and estimates satisfactory to the Secretary. All data relating to economically disadvantaged and low-income persons shall be based on [1980 Census or later data] *the most recent satisfactory data from the Bureau of the Census.*

[(b)] *(b) Publication in Federal Register Relating to Mandatory Funds.*—Whenever the Secretary allots and allocates funds required to be allotted or allocated by formula under this Act, the Secretary shall publish in a timely fashion in the Federal Register the proposed amount to be distributed to each recipient.

[(c)] *(c) Requirement for Funds Distributed by Formula.*—All funds required to be distributed by formula under this Act shall be allotted within 45 days after enactment of the appropriations, except that, if such funds are appropriated in advance as authorized by section 161, such funds shall be allotted not later than the March 31 preceding the program year for which such funds are to be available for obligation.

[(d)] *(d) Publication in Federal Register Relating to Discretionary Funds.*—Whenever the Secretary utilizes a formula to allot or allocate funds made available for distribution at the Secretary's discretion under this Act, the Secretary shall, not later than 30 days prior to such allotment or allocation, publish such formula in the Federal Register for comments along with the rationale for the formula and the proposed amounts to be distributed to each State and area. After consideration of any comments received, the Secretary shall publish final allotments and allocations in the Federal Register.

[(e)] *(e) Availability of Funds.*—Funds shall be made available to the grant recipient for the [service delivery area] *local workforce development area* not later than 30 days after the date they are made available to the Governor or 7 days after the date the plan is approved, whichever is later.

[(f) When contracting with nonprofit organizations of demonstrated effectiveness, the Secretary, States, substate areas, and service delivery areas may make advance payments, provided that such payments are based on the financial need of such organization and are not in excess of 20 percent of the total contract amount.]

[MONITORING

[SEC. 163. (a)]

SEC. 163. MONITORING.

(a) In General.—The Secretary is authorized to monitor all recipients of financial assistance under this Act to determine whether they are complying with the provisions of this Act and the regulations issued under this Act.

[(b)] *(b) Investigations.*—The Secretary may investigate any matter the Secretary deems necessary to determine compliance with this Act and regulations issued under this Act. The investigations authorized by this subsection may include examining records (including making certified copies thereof), questioning employees, and entering any premises or onto any site in which any part of a program of a recipient is conducted or in which any of the records of the recipient are kept.

[(c)] *(c)* Additional Requirement.—For the purpose of any investigation or hearing under this Act, the provisions of section 9 of the Federal Trade Commission Act (15 U.S.C. 49) (relating to the attendance of witnesses and the production of books, papers, and documents) are made applicable to the Secretary.

[FISCAL CONTROLS; SANCTIONS

[Sec. 164. (a)(1)]

SEC. 164. FISCAL CONTROLS; SANCTIONS.

(a) Establishment of Fiscal Controls by States.—

(1) In general.—Each State shall establish such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursal of, and accounting for, Federal funds paid to the recipient under titles II and III. Such procedures shall ensure that all financial transactions are conducted and records maintained in accordance with generally accepted accounting principles applicable in each State.

[(2)] *(2) Regulations.*—The Secretary shall prescribe regulations establishing uniform cost principles substantially equivalent to such principles generally applicable to recipients of Federal grants funds, *consistent with appropriate circulars of the Office of Management and Budget*. At a minimum, such standards shall provide that, to be allowable, costs must—

(A) be necessary and reasonable for proper and efficient administration of the program under this Act;

(B) be allocable to the program under this Act; and

(C) not be a general expense required to carry out the overall responsibilities of State, local, or federally recognized Indian tribal governments [except as specifically provided by this Act], *and procurement transactions between workforce development boards and such governments shall be conducted only on a cost-reimbursable basis*.

(3) The Governor, in accordance with minimum requirements established by the Secretary in regulations *consistent with appropriate circulars of the Office of Management and Budget*, shall prescribe and implement procurement standards to ensure fiscal accountability and prevent fraud and abuse in programs administered under this Act. [The Secretary, in establishing such minimum requirements, shall consult with the Inspector General of the Department of Labor and take into consideration relevant aspects of the circulars issued by the Director of the Office of Management and Budget. Such minimum requirements shall include provisions to ensure that for States, substate areas, and service delivery areas—

[(A) procurements shall be conducted in a manner providing full and open competition;

[(B) the use of sole source procurements shall be minimized to the extent practicable, but in every case shall be justified;

[(C) procurements shall include an appropriate analysis of the reasonableness of costs and prices;

[(D) procurements shall not provide excess program income (for nonprofit and governmental entities) or excess profit (for private for-profit entities), and that appropriate factors shall be utilized in determining whether such income or profit is excessive, such as—

[(i) the complexity of the work to be performed;

[(ii) the risk borne by the contractor; and

[(iii) market conditions in the surrounding geographical area;

[(E) procurements shall clearly specify deliverables and the basis for payment;

[(F) written procedures shall be established for procurement transactions;

[(G) no grantee, contractor, subgrantee, or subcontractor shall engage in any conflict of interest, actual or apparent, in the selection, award, or administration of a contract or grant under this Act;

[(H) all grantees and subgrantees shall conduct oversight to ensure compliance with procurement standards; and

[(I) procurement transactions between units of State or local governments, and any other entities organized principally as the administrative entity for service delivery areas, shall be conducted on a cost reimbursable basis.]

(4) The Governor shall annually conduct on-site monitoring of each [service delivery area and substate area] *workforce development area* within the State to ensure compliance with the procurement standards established pursuant to paragraph (3).

(5) If the Governor determines that a [service delivery area or substate area] *workforce development area* is not in compliance with the procurement standards established pursuant to paragraph (3), the Governor shall—

(A) require corrective action to secure prompt compliance; and

(B) impose the sanctions provided under subsection (b) in the event of failure to take the required corrective action.

(6) The Governor shall biennially certify to the Secretary that—

(A) the State has implemented the procurement standards established under paragraph (3);

(B) the State has monitored [substate areas and service delivery areas] *workforce development areas* to ensure compliance with the procurement standards as required under paragraph (4); and

(C) the State has taken appropriate action to secure compliance pursuant to paragraph (5).

(7) If the Secretary determines that the Governor has not fulfilled the requirements of this subsection, the Secretary shall—

(A) require corrective action to secure prompt compliance; and

(B) impose the sanctions provided under subsection (f) in the event of failure of the Governor to take the required corrective action.

[(8) The Secretary, in consultation with the Inspector General, shall review the implementation of this subsection and submit a report to the appropriate committees of the Congress, not later than October 1, 1995, evaluating the effectiveness of this subsection in ensuring fiscal accountability and containing such recommendations as the Secretary determines to be appropriate.]

(b)(1) If, as a result of financial and compliance audits or otherwise, the Governor determines that there is a substantial violation of a specific [provision of] *requirements under* this Act [or the regulations under this Act], and corrective action has not been taken, the Governor shall—

(A) issue a notice of intent to revoke approval of all or part of the *local* plan affected; or

(B) impose a reorganization plan, which may include—

(i) restructuring the [private industry council] *workforce development board* involved;

(ii) prohibiting the use of designated service providers;

(iii) selecting an alternative entity to administer the program for the [service delivery] *workforce development* area involved;

(iv) merging the [service delivery] *workforce development* area into 1 or more other existing [service delivery] *workforce development* areas; or

(v) other such changes as the Secretary or Governor determines necessary to secure compliance.

(2)(A) The actions taken by the Governor pursuant to [paragraph (1)(A)] *subparagraphs (A) and (B) of paragraph (1)* may be appealed to the Secretary [under the same terms and conditions as the disapproval of the plan] and shall not become effective until—

(i) the time for *the* appeal has expired; or

(ii) the Secretary has issued a decision.

(B) [The actions taken by the Governor pursuant to paragraph (1)(B) may be appealed to the Secretary, who] *The Secretary* shall make a final decision not later than [60] *45* days of the receipt of the appeal.

(3) If the Governor fails to promptly take the actions required under paragraph (1), the Secretary shall take such actions.

[(c)(1) The Comptroller General of the United States shall, on a selective basis, evaluate the expenditures by the recipients of grants under this Act in order to assure that expenditures are consistent with the provisions of this Act and to determine the effectiveness of each recipient in accomplishing the purposes of this Act. The Comptroller General shall conduct the evaluations whenever he determines it necessary and he shall periodically report to the Congress on the findings of such evaluations.

[(2) Nothing in this Act shall be deemed to relieve the Inspector General of the Department of Labor of his responsibilities under the Inspector General Act.

[(3) For the purpose of evaluating and reviewing programs established or provided for by this Act, the Comptroller General shall have access to and the right to copy any books, accounts, records, correspondence, or other documents pertinent to such programs that are in the possession, custody, or control of the State, a private industry council established under section 102 of this Act, any recipient of funds under this Act, or any subgrantee or contractor of such recipients.

[(d) Every recipient shall repay to the United States amounts found not to have been expended in accordance with this Act. The Secretary may offset such amounts against any other amount to which the recipient is or may be entitled under this Act unless he determines that such recipient should be held liable pursuant to subsection (e). No such action shall be taken except after notice and opportunity for a hearing have been given to the recipient.]

(c) REPAYMENT OF CERTAIN AMOUNTS TO THE UNITED STATES.—

(1) IN GENERAL.—Every recipient of funds under titles II and III of this Act shall repay to the United States amounts found not to have been expended in accordance with this Act.

(2) OFFSET OF REPAYMENT.—If the Secretary determines that a State has expended funds made available under this Act in a manner contrary to the requirements of this Act, the Secretary may offset repayment of such expenditures against any other amount to which the State is or may be entitled, except as provided under subsection (e)(1).

(3) REPAYMENT FROM DEDUCTION BY STATE.—If the Secretary requires a State to repay funds as a result of a determination that a local recipient or a subgrantee of such recipient in a local workforce development area of the State has expended funds contrary to the requirements of this Act, the Governor of the State may use an amount deducted under paragraph (4) to repay the funds, except as provided under subsection (e)(1).

(4) DEDUCTION BY STATE.—The Governor may deduct an amount equal to the misexpenditure described in paragraph (3) from subsequent program year allocations to the local workforce development area from funds reserved for the administrative costs of such local programs under title II or title III, as appropriate.

(5) LIMITATIONS.—A deduction made by a State as described under paragraph (4) shall not be made until such time as the Governor has taken appropriate corrective action to ensure full compliance within such local workforce development area with regard to appropriate expenditures of funds under this Act.

[(e)(1)] *(d) REPAYMENT OF AMOUNTS.—*

(1) IN GENERAL.—Each recipient shall be liable to repay such amounts, from funds other than funds received under this Act, upon a determination *by the Secretary* that the misexpenditure of funds was due to willful disregard of the requirements of this Act, gross negligence, [or] failure to observe accepted standards of administration, *or a pattern of failure with respect to paragraphs (2) and (3) of subsection (d).* No such finding

shall be made *under this subsection or subsection (d)* except after notice and opportunity for a fair hearing *has been given to the recipient.*

[(2)**]** *(2) Factors in Imposing Sanctions.*—In determining whether to impose any sanction authorized by this section against a recipient for violations by a subgrantee of such recipient under this Act or the regulations under this Act, the Secretary shall first determine whether such recipient has adequately demonstrated that it has—

(A) established and adhered to an appropriate system for the award and monitoring of contracts with subgrantees which contains acceptable standards for ensuring accountability;

(B) entered into a written contract with such subgrantee which established clear goals and obligations in unambiguous terms;

(C) acted with due diligence to monitor the implementation of the subgrantee contract, including the carrying out of the appropriate monitoring activities (including audits) at reasonable intervals; and

(D) taken prompt and appropriate corrective action upon becoming aware of any evidence of a violation of this Act or the regulations under this Act by such subgrantee.

[(3)**]** *(3) Waiver.*—If the Secretary determines that the recipient has demonstrated substantial compliance with the requirements of paragraph (2), the Secretary may waive the imposition of sanctions authorized by this section upon such recipient. **[**The Secretary is authorized to impose any sanction consistent with the provisions of this Act and any applicable Federal or State law directly against any subgrantee for violation of this Act or the regulations under this Act.**]**

[(f)**]** *(e) Immediate Termination or Suspension of Assistance in Emergency Situations.*—In emergency situations, if the Secretary determines it is necessary to protect the integrity of the funds or ensure the proper operation of the program, the Secretary may immediately terminate or suspend financial assistance, in whole or in part, if the recipient is given prompt notice and the opportunity for a subsequent hearing within 30 days after such termination or suspension. The Secretary shall not delegate any of the functions or authority specified in this subsection, other than to an officer whose appointment was required to be made by and with the advice and consent of the Senate.

[(g)**]** *(f) Discrimination Against Participants.*—If the Secretary determines that any recipient under this Act has discharged or in any other manner discriminated against a participant or against any individual in connection with the administration of the program involved, or against any individual because such individual has filed any complaint or instituted or caused to be instituted any proceeding under or related to this Act, or has testified or is about to testify in any such proceeding or investigation under or related to this Act, or otherwise unlawfully denied to any individual a benefit to which that individual is entitled under the provisions of this Act or the Secretary's regulations, the Secretary shall, within thirty days, take such action or order such corrective measures, as necessary, with respect to the recipient or the aggrieved individual, or both.

[(h) The remedies under this section shall not be construed to be exclusive remedies.]

[REPORTS, RECORDKEEPING, AND INVESTIGATIONS

[SEC. 165. (a)(1)]

SEC. 165. REPORTS; RECORDKEEPING; INVESTIGATIONS.

(a) REPORTS.—

(1) *IN GENERAL.*—Recipients shall keep records that are sufficient to permit the preparation of reports required by this Act and to permit the tracing of funds to a level of expenditure adequate to insure that the funds have not been spent unlawfully.

[(2)] *(2) SUBMISSION TO THE SECRETARY.*—Every recipient shall maintain such records and submit such reports, in such form and containing such information, as the Secretary requires regarding the performance of its programs. Such records and reports shall be submitted to the Secretary but shall not be required to be submitted more than once each quarter unless specifically requested by the Congress or a committee thereof.

[(3)] *(3) MAINTENANCE OF STANDARDIZED RECORDS.*—In order to allow for the preparation of national estimates necessary to meet the requirements of subsection (c), recipients shall maintain standardized records for all individual participants and provide to the Secretary a sufficient number of such records to provide for an adequate analysis.

[(4)(A)] *(4) AVAILABILITY TO THE PUBLIC.—(A)* Except as provided in subparagraph (B), records maintained by recipients pursuant to this subsection shall be made available to the public upon request.

[(B)] *(B) EXCEPTION.*—Subparagraph (A) shall not apply to—

(i) information, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy; and

(ii) trade secrets, or commercial or financial information, obtained from a person and privileged or confidential.

[(C)] *(C) FEES TO RECOVER COSTS.*—Recipients may charge fees sufficient to recover costs applicable to the processing of requests for records under subparagraph (A).

[(b)(1)(A)]

(b) INVESTIGATIONS OF USE OF FUNDS.—

(1) IN GENERAL.—(A) In order to evaluate compliance with the provisions of this Act, the Secretary shall conduct, in several States, in each fiscal year investigations of the use of funds received by recipients under this Act.

(B) In order to insure compliance with the provisions of this Act, the Comptroller General of the United States may conduct investigations of the use of funds received under this Act by any recipient.

[(2)] *(2) PROHIBITION.*—In conducting any investigation under this Act, the Secretary or the Comptroller General of the

United States may not request the compilation of any new information not readily available to such recipient.

[(3)(A)**]**

(3) AUDITS.—

(A) IN GENERAL.— In carrying out any audit under this Act (other than any initial audit survey or any audit investigating possible criminal or fraudulent conduct), either directly or through grant or contract, the Secretary, the Inspector General, or the Comptroller General shall furnish to the State, administrative entity, recipient, or other entity to be audited, advance notification of the overall objectives and purposes of the audit, and any extensive recordkeeping or data requirements to be met, not fewer than 14 days (or as soon as practicable), prior to the commencement of the audit.

[(B)**]** *(B) NOTIFICATION REQUIREMENT.*—If the scope, objectives, or purposes of the audit change substantially during the course of the audit, the entity being audited shall be notified of the change as soon as practicable.

[(C)**]** *(C) ADDITIONAL REQUIREMENT.*—The reports on the results of such audits shall cite the law, regulation, policy, or other criteria applicable to any finding.

[(D)**]** *(D) RULE OF CONSTRUCTION.*—Nothing contained in this Act shall be construed so as to be inconsistent with the Inspector General Act of 1978 (5 U.S.C. App.) or government auditing standards issued by the Comptroller General.

[(c)**]** *(c) ACCESSIBILITY OF REPORTS.*—Each State, each administrative entity, and each recipient (other than a subrecipient, grantee or contractor of a recipient) receiving funds under this Act shall—

(1) make readily accessible reports concerning its operations and expenditures as shall be prescribed by the Secretary;

(2) prescribe and maintain comparable management information systems, in accordance with guidelines that shall be prescribed by the Secretary, designed to facilitate the uniform compilation, cross tabulation, and analysis of programmatic, participant, and financial data, on statewide and **[**service delivery area**]** *local workforce development area* bases, necessary for reporting, monitoring, and evaluating purposes, including data necessary to comply with section 167; and

(3) monitor the performance of service providers in complying with the terms of grants, contracts, or other agreements made pursuant to this Act.

[(d)(1)**]**

(d) INFORMATION TO BE INCLUDED IN REPORTS.—

(1) IN GENERAL.—The reports required in subsection (c) shall include information pertaining to—

(A) the relevant demographic characteristics (including race, ethnicity, sex, and age) and other related information regarding participants;

(B) the activities in which participants are enrolled, and the length of time that participants are engaged in such activities;

(C) program outcomes, including occupations[,] for participants[;] *and placement for participants in nontraditional employment;*

(D) specified program costs; and

(E) information necessary to prepare reports to comply with section 167.

[(2)] *(2) ADDITIONAL REQUIREMENT.*—The Secretary shall ensure that all elements of the information required for the reports described in paragraph (1) are defined and reported uniformly.

[(e)] *(e) RETENTION OF RECORDS.*—The Governor shall ensure that requirements are established for retention of all records pertinent to all grants awarded, and contracts and agreements entered into, under this Act, including financial, statistical, property and participant records and supporting documentation. For funds allotted to a State for any program year, records shall be retained for 2 years following the date on which the annual expenditure report containing the final expenditures charged to such program year's allotment is submitted to the Secretary. Records for nonexpendable property shall be retained for a period of 3 years after final disposition of the property.

[(f)(1)]

(f) QUARTERLY FINANCIAL REPORTS.—

(1) IN GENERAL.—Each substate grantee and [service delivery area] *local workforce development area* shall submit quarterly financial reports to the Governor with respect to programs under this Act. Such reports shall include information identifying all program costs by cost category in accordance with generally accepted accounting principles and by year of the appropriation.

[(2)] *(2) ADDITIONAL REQUIREMENT.*—Each State shall submit a summary of the reports submitted pursuant to paragraph (1) to the Secretary on a quarterly basis.

[(g)] *(g) MAINTENANCE OF ADDITIONAL RECORDS.*—Each State, substate grantee, and service delivery area shall maintain records with respect to programs under this Act that identify—

(1) any program income or profits earned, including such income or profits earned by subrecipients; and

(2) any costs incurred (such as stand-in costs) that are otherwise allowable except for funding limitations.

[(h)(1) The Secretary shall conduct a biennial study on the provision of supportive services under programs conducted pursuant to title II. Such study shall identify—

[(A) the amount and proportion of funds expended for supportive services under title II;

[(B) the types of supportive services provided;

[(C) the relative share of funds expended for each type of supportive service;

[(D) the characteristics of the participants receiving supportive services; and

[(E) such other factors as the Secretary determines to be appropriate.

[(2) The Secretary shall submit a report to the Congress containing the results of each study conducted pursuant to paragraph (1).]

[ADMINISTRATIVE ADJUDICATION

[SEC. 166. (a)]

SEC. 166. ADMINISTRATIVE ADJUDICATION.

(a) In General.—Whenever any applicant for financial assistance under this Act is dissatisfied because the Secretary has made a determination not to award financial assistance in whole or in part to such applicant, the applicant may request a hearing before an administrative law judge of the Department of Labor. A similar hearing may also be requested by any recipient upon whom a corrective action or a sanction has been imposed by the Secretary. [Except to the extent provided for in section 141(c), subsections (d) and (e) of section 144, or section 167, all other disputes arising under this Act shall be adjudicated under grievance procedures established by the recipient or under applicable law other than this Act.]

[(b)] *(b) Appeal.*—The decision of the administrative law judge shall constitute final action by the Secretary unless, within 20 days after receipt of the decision of the administrative law judge, a party dissatisfied with the decision or any part thereof has filed exceptions with the Secretary specifically identifying the procedure, fact, law, or policy to which exception is taken. Any exception not specifically urged shall be deemed to have been waived. Thereafter the decision of the administrative law judge shall become the final decision of the Secretary unless the Secretary, within 30 days of such filing, has notified the parties that the case has been accepted for review.

[(c)] *(c) Time Limit.*—Any case accepted for review by the Secretary shall be decided within one hundred and eighty days of such acceptance. If not so decided, the decision of the administrative law judge shall become the final decision of the Secretary.

[(d)] *(d) Additional Requirement.*—The provisions of section 168 of this Act shall apply to any final action of the Secretary under this section.

[NONDISCRIMINATION

[SEC. 167. (a)(1) For the purpose of applying the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975, on the basis of handicap under section 504 of the Rehabilitation Act, on the basis of sex under title IX of the Education Amendments of 1972, or on the basis of race, color, or national origin under title VI of the Civil Rights Act of 1964, programs and activities funded or otherwise financially assisted in whole or in part under this Act are considered to be programs and activities receiving Federal financial assistance.

[(2) No individual shall be excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in the administration of or in connection with any such program because of race, color, religion, sex, national origin, age, disability, or political affiliation or belief.

[(3) Participants shall not be employed on the construction, operation, or maintenance of so much of any facility as is used or to be used for sectarian instruction or as a place for religious worship.

[(4) With respect to terms and conditions affecting, or rights provided to, individuals who are participants in activities supported by funds provided under this Act, such individuals shall not be discriminated against solely because of their status as such participants.

[(5) Participation in programs and activities financially assisted in whole or in part under this Act shall be open to citizens and nationals of the United States, lawfully admitted permanent resident aliens, lawfully admitted refugees and parolees, and other individuals authorized by the Attorney General to work in the United States.

[(b) Whenever the Secretary finds that a State or other recipient has failed to comply with a provision of law referred to in subsection (a)(1), with paragraph (2), (3), (4), or (5) of subsection (a), or with an applicable regulation prescribed to carry out such paragraphs, the Secretary shall notify such State or recipient and shall request it to comply. If within a reasonable period of time, not to exceed sixty days, the State or recipient fails or refuses to comply, the Secretary may—

[(1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted;

[(2) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, or section 504 of the Rehabilitation Act, as may be applicable; or

[(3) take such other action as may be provided by law.

[(c) When a matter is referred to the Attorney General pursuant to subsection (b)(1), or whenever the Attorney General has reason to believe that a State or other recipient is engaged in a pattern or practice in violation of a provision of law referred to in subsection (a)(1) or in violation of paragraph (2), (3), (4), or (5) of subsection (a), the Attorney General may bring a civil action in any appropriate district court of the United States for such relief as may be appropriate, including injunctive relief.

[(d) For purposes of this section, Job Corps members shall be considered as the ultimate beneficiaries of Federal financial assistance.

[(e)(1) The head of the office of the Department of Labor referred to as the Directorate for Civil Rights" shall annually prepare a report on the administration and enforcement of this section.

[(2) The report required by paragraph (1) shall include—

[(A) an identification of the service delivery areas and States that have been determined, during the preceding program year, not to be in compliance with this section;

[(B) for each such identification, the date on which the inquiry was begun and whether the inquiry was initiated on the basis of a complaint or at the initiative of the Department;

[(C) an identification of the service delivery areas and States awaiting findings by the Directorate;

[(D) the number of service delivery areas and States that, during the preceding year, were determined not to be in compliance with this section, and the number for which insufficient data prevented the making of such a determination, identifying the type of data which is missing or inadequate;

[(E) a statistical summary, broken down by race, sex, national origin, disability, or age, of the number of inquiries undertaken and their outcomes;

[(F) an identification of any service delivery area or State that has been determined, during the preceding year, to have failed to conduct objective assessments as required by sections 204 and 264 on a nondiscriminatory basis;

[(G) the amount expended by the Directorate for the administration and enforcement of this section, and the number and percentage of full-time employees, and the full-time equivalent of the part-time employees, engaged in such administration and enforcement;

[(H) the number of onsite visits conducted each year, and whether the visits were initiated by the Department or by complaint;

[(I) the number of cases referred to the Attorney General, and for such cases—

[(i) the civil actions taken by the Attorney General thereon; and

[(ii) the use, by the Secretary, of the authority of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), the Age Discrimination Act of 1975 (29 U.S.C. 621 et seq.), or section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794); and

[(J) a description of any other actions taken by the Secretary under or related to the administration and enforcement of this section.

[(3) The report required by this subsection shall be submitted to the Congress as part of the Secretary's annual report under section 169(d).

[(f) In addition to any other sums authorized to be appropriated under Federal law, there are authorized to be appropriated for the operations and expenses of the Directorate such sums as may be necessary for the purpose of increasing the number of full-time equivalent personnel available to the Directorate in order to comply with the requirements of this section.

[(g) The Secretary shall issue final regulations implementing this section not later than 90 days after the date of the enactment of the Job Training Reform Amendments of 1992.]

SEC. 167. NONDISCRIMINATION.

(a) In General.—

(1) Federal financial assistance.—For the purpose of applying the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), on the basis of disability under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), on the basis of sex under title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), or on the basis of race, color, or national origin under title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), programs and activities funded or otherwise financially assisted in whole or in part under this Act are considered to be programs and activities receiving Federal financial assistance.

(2) Nondiscrimination.—No individual shall be excluded from participation in, denied the benefits of, subjected to dis-

crimination under, or denied employment in the administration of or in connection with any such program or activity because of race, color, religion, sex, national origin, age, political affiliation or belief, or status as a qualified individual with a disability or as a participant of such program or activity.

(b) SECRETARIAL AUTHORITY.—Whenever the Secretary finds that a State or other recipient has failed to comply with a provision of this section, or with an applicable regulation prescribed to carry out this section, the Secretary shall notify such State or recipient and seek compliance through the processes of conciliation, mediation or persuasion, as appropriate. If within a reasonable time the State or recipient fails or refuses to comply, the Secretary may—

(1) refer the matter to the Attorney General with a recommendation for appropriate action; or

(2) take such other action as may be provided by law.

(c) AUTHORITY OF ATTORNEY GENERAL.—When a matter is referred to the Attorney General pursuant to subsection (b)(1), the Attorney General may bring a civil action in any appropriate district court of the United States for such relief as may be appropriate, including injunctive relief.

(d) JOB CORPS.—For the purposes of this section, Job Corps members shall be considered as the ultimate beneficiaries of Federal financial assistance.

(e) REGULATIONS.—The Secretary shall issue regulations necessary to implement this section not later than one year after the date of the enactment of the Employment, Training, and Literacy Enhancement Act of 1997. Such regulations shall adopt standards for determining discrimination and procedures for enforcement that are consistent with the Acts referred to in a subsection (a)(1), as well as procedures to ensure that complaints filed under this section and such Acts are processed in a manner that avoids duplication of effort.

[JUDICIAL REVIEW

[SEC. 168. (a)(1) With respect to any final order by the Secretary under section 166 whereby the Secretary determines to award, to not award, or to only conditionally award, financial assistance, with respect to any final order of the Secretary under section 166 with respect to a corrective action or sanction imposed under section 164, and with respect to a denial of an appeal under section 101(4)(C) or 105(b)(2), any party to a proceeding which resulted in such final order may obtain review of such final order in the United States Court of Appeals having jurisdiction over the applicant or recipient of funds, by filing a review petition within 30 days of such final order.

[(2) The clerk of the court shall transmit a copy of the review petition to the Secretary who shall file the record upon which the final order was entered as provided in section 2112 of title 28, United States Code. Review petitions unless ordered by the court, shall not stay the Secretary's order. Petitions under this Act shall be heard expeditiously, if possible within ten days of the filing of a reply brief.

[(3) No objection to the order of the Secretary shall be considered by the court unless the objection shall have been specifically and timely urged before the Secretary. Review shall be limited to questions of law and the Secretary's findings of fact shall be conclusive if supported by substantial evidence.

[(b) The court shall have jurisdiction to make and enter a decree affirming, modifying, or setting aside the order of the Secretary in whole or in part. The court's judgment shall be final, subject to certiorari review by the Supreme Court of the United States as provided in section 1254(1) of title 28, United States Code.]

[ADMINISTRATIVE PROVISIONS

[SEC. 169. (a)]

SEC. 168. ADMINISTRATIVE PROVISIONS.

(a) IN GENERAL.—The Secretary may, in accordance with chapter 5 of title 5, United States Code, prescribe [such rules and regulations (including performance standards) as the Secretary deems necessary.] *rules and regulations only to the extent necessary to administer and ensure compliance with the specific requirements of this Act.* Such rules and regulations may include adjustments authorized by section 204 of the Intergovernmental Cooperation Act of 1968. All such rules and regulations shall be published in the Federal Register at least thirty days prior to their effective date. Copies of all such rules and regulations shall be transmitted to the appropriate committees of the Congress at the same time and shall contain, with respect to each material provision of such rules and regulations, citations to the particular substantive section of law which is the basis therefor.

[(b)] *(b) ACQUISITION OF CERTAIN PROPERTY AND SERVICES.*—The Secretary is authorized, in carrying out this Act, to accept, purchase, or lease in the name of the department, and employ or dispose of in furtherance of the purposes of this Act, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise, and to accept voluntary and uncompensated services notwithstanding the provisions of section 3679(b) of the Revised Statutes of the United States.

[(c)] *(c) AUTHORITY TO ENTER INTO CERTAIN AGREEMENTS AND TO MAKE CERTAIN EXPENDITURES.*—The Secretary may make such grants, contracts, or agreements, establish such procedures and make such payments, in installments and in advance or by way of reimbursement, or otherwise allocate or expend funds under this Act as necessary to carry out this Act, including (without regard to the provisions of section 4774(d) of title 10, United States Code) expenditures for construction, repairs, and capital improvements, and including necessary adjustments in payments on account of overpayments or underpayments.

[(d)] *(d) ANNUAL REPORT.*—The Secretary shall prepare and submit to the Congress an annual report for employment and training programs. The Secretary shall include in such report—

(1) a summary of the achievements, failures, and problems of the programs authorized in this Act in meeting the objective of this Act;

(2) a summary of major findings from research, evaluation, pilot projects, and experiments conducted in the previous fiscal year;

(3) recommendations for program modifications based upon analysis of such findings; and

(4) such other recommendations for legislative or administrative action as the Secretary deems appropriate.

[(e) The Secretary shall develop methods to ascertain, and shall ascertain annually, energy development and conservation employment impact data by type and scale of energy technologies used. The Secretary shall present the best available data to the Secretary of Energy, the Secretary of Housing and Urban Development, and the Director of the Office of Management and Budget as part of the budgetary process and to the appropriate Committees of Congress annually.]

[UTILIZATION OF SERVICES AND FACILITIES

[SEC. 170.]

SEC. 169. UTILIZATION OF SERVICES AND FACILITIES.

The Secretary is authorized, in carrying out this Act, under the same conditions applicable under [section 169(c)] *section 168(c)* or to the extent permitted by law other than this Act, to accept and use the services and facilities of departments, agencies, and establishments of the United States. The Secretary is also authorized to accept and use the services and facilities of the agencies of any State or political subdivision of a State, with its consent.

[OBLIGATIONAL AUTHORITY

[SEC. 171.]

SEC. 170. OBLIGATIONAL AUTHORITY.

Notwithstanding any other provision of this Act, no authority to enter into contracts or financial assistance agreements under this Act shall be effective except to such extent or in such amount as are provided in advance in appropriation Acts.

[PRESIDENTIAL AWARDS FOR OUTSTANDING PRIVATE SECTOR INVOLVEMENT IN JOB TRAINING PROGRAMS

[SEC. 172. (a)(1)(A) The President is authorized to make Presidential awards for outstanding achievement by the private sector in the job training partnership program authorized by this Act. The President is authorized to make such awards to individuals who, and organizations which, have demonstrated outstanding achievement in planning and administering job training partnership programs or in contributing to the success of the job training partnership program.

[(B) In making the awards pursuant to subparagraph (A) of this paragraph, the President shall consider the effectiveness of the program for which the award is made.

[(2) The President is authorized to make Presidential awards for model programs in the job training partnership program authorized by this Act which demonstrate effectiveness in addressing the job training needs of groups of individuals with multiple barriers to employment.

[(b)(1) Each year the President is authorized to make such awards under subsection (a) of this section as the President determines will carry out the objectives of this Act.

[(2) The President shall establish such selection procedures, after consultation with the Secretary and the Governors of the States, as may be necessary.

[SEC. 173. CONSTRUCTION.

[(a) ELIGIBILITY.—Nothing in this Act shall be construed to limit the right of persons to remain eligible for assistance under title XIX of the Social Security Act, relating to Medicaid pursuant to section 1619(b) of such Act.

[(b) USE OF FUNDS.—Nothing in this Act shall be construed to authorize the use of funds under this Act for the ongoing support services provided to individuals with disabilities placed in supported employment, as such term is defined in section 7(18) of the Rehabilitation Act of 1973.]

SEC. 171. LIMITATION ON CERTAIN COSTS.

(a) IN GENERAL.—The Secretary, after consultation with the Inspector General of the Department of Labor and the Comptroller General of the United States, shall develop regulations that define "administrative costs" for purposes of programs under titles II and III. Such definition shall reflect generally accepted accounting principles.

(b) LIMITATION.—

(1) IN GENERAL.—Of the amounts allocated to local workforce development areas for a program year under titles II and III, not more that 10 percent of such amounts may be expended for administrative costs.

(2) DEFINITION.—For purposes of paragraph (1), the term "allocated" means allocated for a program year, as adjusted for reallocations and reallotments and for transfers of funds in accordance with this Act.

[PART E—MISCELLANEOUS PROVISIONS]

PART D—MISCELLANEOUS PROVISIONS

SEC. 181. REFERENCE.

Effective on the date of the enactment of the Employment, Training, and Literacy Enhancement Act of 1997, all references in any other provision of law (other than section 665 of title 18, United States Code) to the Comprehensive Employment and Training Act, or to the Job Training Partnership Act, as the case may be, shall be deemed to refer to Employment, Training, and Literacy Enhancement Act.

[CRIMINAL PROVISIONS

[SEC. 182. Section 665 of title 18, United States Code, is amended to read as follows:

["THEFT OF EMBEZZLEMENT FROM EMPLOYMENT AND TRAINING FUNDS: IMPROPER INDUCEMENT: OBSTRUCTION OF INVESTIGATIONS

["SEC. 665. (a) Whoever, being an officer, director, agent, or employee of, or connected in any capacity with any agency or organization receiving financial assistance or any funds under the Comprehensive Employment and Training Act or the Job Training Partnership Act knowingly enrolls an ineligible participant, embezzles, willfully misapplies, steals, or obtains by fraud any of the moneys, funds, assets, or property which are the subject of a financial assistance agreement or contract pursuant to such Act shall be fined not more than $10,000 or imprisoned for not more than 2 years, or both; but if the amount so embezzled, misapplied, stolen, or obtained by fraud does not exceed $100, such person shall be fined not more than $1,000 or imprisoned not more than 1 year, or both.

["(b) Whoever, by threat or procuring dismissal of any person from employment or of refusal to employ or refusal to renew a contract of employment in connection with a financial assistance agreement or contract under the Comprehensive Employment and Training Act or the Job Training Partnership Act induces any person to give up any money or thing of any value to any person (including such organization or agency receiving funds) shall be fined not more than $1,000, or imprisoned not more than 1 year, or both.

["(c) Any person whoever willfully obstructs or impedes or willfully endeavors to obstruct or impede, an investigation or inquiry under the Comprehensive Employment and Training Act or the Job Training Partnership Act, or the regulations thereunder, shall be punished by a fine of not more than $5,000, or by imprisonment for not more than 1 year, or by both such fine and imprisonment.".

[REFERENCE

[SEC. 183. Effective on the date of enactment of this Act, all references in any other statute other than this Act, and other than in section 665 of title 18, United States Code, to the Comprehensive Employment and Training Act shall be deemed to refer to the Job Training Partnership Act.

[REPEALERS

[SEC. 184. (a) Effective on the date of enactment of this Act—

[(1) the Comprehensive Employment and Training Act is repealed;

[(2) section 5(b) of the Comprehensive Employment and Training Act Amendments of 1978 is repealed.]

ENFORCEMENT OF MILITARY SELECTIVE SERVICE ACT

SEC. 182. The Secretary shall insure that each individual participating in any program established under this Act, or receiving any assistance or benefit under this Act, has not violated section 3 of the Military Selective Service Act (50 U.S.C. App. 453) by not presenting and submitting to registration as required pursuant to such section. The Director of the Selective Service System shall cooperate with the Secretary in carrying out this section.

[TITLE II—TRAINING SERVICES FOR THE DISADVANTAGED

[Part A—Adult Training Program

[SEC. 201. STATEMENT OF PURPOSE.

[It is the purpose of this part to establish programs to prepare adults for participation in the labor force by increasing their occupational and educational skills, resulting in improved long-term employability, increased employment and earnings, and reduced welfare dependency.

[SEC. 202. ALLOTMENT AND ALLOCATION.

[(a) Allotment.—

[(1) Territories.—Of the amount appropriated under section 3(a)(1) for each fiscal year and available to carry out this part, not more than one-quarter of 1 percent shall be allotted among Guam, the Virgin Islands, American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and Palau.

[(2) State reservation.—After determining the amounts to be allotted under paragraph (1), the Secretary shall allot 77 percent of the remainder to the States for allocation to service delivery areas within each State. Each State shall allocate to each service delivery area within the State the amount determined by the Secretary for such service delivery area pursuant to the formula contained in subsection (b). The remaining 23 percent shall be allotted in accordance with subsection (c).

[(b) Allocation to Service Delivery Areas.—

[(1) Formula.—Subject to the provisions of paragraph (2), of the amounts allocated to service delivery areas for this part for each fiscal year—

[(A) 33⅓ percent shall be allocated on the basis of the relative number of unemployed individuals residing in areas of substantial unemployment within each service delivery area as compared to the total number of such unemployed individuals in all such areas of substantial unemployment in all service delivery areas in all States;

[(B) 33⅓ percent shall be allocated on the basis of the relative excess number of unemployed individuals within each service delivery area as compared to the total excess number of unemployed individuals in all service delivery areas in all States; and

[(C) 33⅓ percent shall be allocated on the basis of the relative number of economically disadvantaged adults within each service delivery area as compared to the total number of economically disadvantaged adults in all service delivery areas in all States, except that for any service delivery area described in section 101(a)(4)(A)(iii), the allocation shall be based on the higher of the number of adults in families with an income below the low-income level in such area or the number of economically disadvantaged adults in such area.

[(2) Limitations.—

[(A) Minimum percentage.—No service delivery area shall be allocated less than 90 percent of its allocation percentage for the fiscal year preceding the fiscal year for which the determination is made.

[(B) Maximum percentage.—No service delivery area shall be allocated more than 130 percent of its allocation percentage for the fiscal year preceding the fiscal year for which the determination is made.

[(C) State minimum.—Notwithstanding subparagraphs (A) and (B), the total allocation for all service delivery areas within any one State shall not be less than one-quarter of 1 percent of the total allocated to all service delivery areas in all States.

[(D) Allocation percentage.—

[(i) In general.—Except as provided in clause (ii), for purposes of subparagraphs (A) and (B), the allocation percentage of a service delivery area for a fiscal year shall be the percentage of funds allocated to the service delivery area under this subsection.

[(ii) Fiscal year 1992.—For purposes of subparagraphs (A) and (B), the allocation percentage of a service delivery area for fiscal year 1992 shall be the percentage of funds allocated to the service delivery area under part A of title II.

[(c) State Activities.—

[(1) Division.—Of the remaining 23 percent of funds available for allotment to States under this part for each fiscal year—

[(A) 5 percent of the funds available for such allotment under this part shall be allotted to the States in accordance with paragraph (2), for overall administration, management, and auditing activities relating to programs under this title and for activities described in sections 121 and 122;

[(B) 5 percent of the funds available for such allotment under this part shall be allotted to the States in accordance with paragraph (2), to provide incentive grants authorized under section 106(b)(7), in accordance with paragraph (3);

[(C) 8 percent of the funds available for such allotment under this part shall be allotted to the States in accordance with paragraph (2) to carry out section 123; and

[(D) 5 percent of the funds available for such allotment under this part shall be allotted to carry out section 204(d).

[(2) Formula for allotment.—The allotments to each State described in paragraph (1) shall be based on the relative amount of funds allocated to all service delivery areas within such State under subsection (b) as compared to the amount of funds allocated to all service delivery areas in all States under subsection (b).

[(3) Other uses.—

[(A) CAPACITY BUILDING AND TECHNICAL ASSISTANCE.—The Governor may use up to 33 percent of the amount allotted under paragraph (1)(B) for providing capacity building and technical assistance to service delivery areas and service providers. Such use of funds may include the development and training of service delivery area and service provider staff and the development of exemplary program activities.

[(B) NONDUPLICATION AND COORDINATION.—Funds used under subparagraph (A)—

[(i) may not be used to duplicate the activities of the Capacity Building and Information and Dissemination Network established under section 453(b); and

[(ii) shall, to the extent practicable, be used to coordinate the activities under subparagraph (A) with the activities of the Network under section 453(b).

[(d) DEFINITIONS AND RULE.—

[(1) DEFINITIONS.—As used in this section:

[(A) ECONOMICALLY DISADVANTAGED ADULT.—The term "economically disadvantaged adult" means an individual who is age 22 through 72 and who has, or is a member of a family that has, received a total family income that, in relation to family size, was not in excess of the higher of—

[(i) the official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902(2)); or

[(ii) 70 percent of the lower living standard income level.

[(B) EXCESS NUMBER.—The term "excess number" means, with respect to the excess number of unemployed individuals within a service delivery area, the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the service delivery area, or the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in areas of substantial unemployment in such service delivery area.

[(C) STATE.—The term "State" means any of the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

[(2) SPECIAL RULE.—For the purposes of this section, the Secretary shall, as appropriate and to the extent practicable, exclude college students and members of the Armed Forces from the determination of the number of economically disadvantaged adults.

[SEC. 203. ELIGIBILITY FOR SERVICES.

[(a) IN GENERAL.—Except as provided in subsection (c), an individual shall be eligible to participate in the program under this part only if such individual is—

[(1) 22 years of age or older; and

[(2) economically disadvantaged.

[(b) HARD-TO-SERVE INDIVIDUALS.—Not less than 65 percent of the participants in the program under this part, other than participants served under section 204(d), in each service delivery area shall be individuals who are included in 1 or more of the following categories:

[(1) Individuals who are basic skills deficient.

[(2) Individuals who are school dropouts.

[(3) Individuals who are recipients of cash welfare payments.

[(4) Individuals who are offenders.

[(5) Individuals with disabilities.

[(6) Individuals who are homeless.

[(7) Individuals who are in a category established under subsection (d).

[(c) SPECIAL RULE.—Not more than 10 percent of participants in a program assisted under this part, other than participants served under section 204(d), in each service delivery area may be individuals who are not economically disadvantaged if such individuals are age 22 or older and within 1 or more categories of individuals who face serious barriers to employment. Such categories may include the categories described in subsection (b), or categories such as displaced homemakers, veterans, alcoholics, or addicts.

[(d) ADDITIONAL CATEGORY.—A service delivery area conducting a program assisted under this part may add one category of individuals who face serious barriers to employment to the categories of eligible individuals described in subsection (b) if—

[(1) the service delivery area submits a request to the Governor identifying the additional category of individuals and justifying the inclusion of such category;

[(2) the additional category of individuals is not solely comprised of—

[(A) individuals with a poor work history; or

[(B) individuals who are unemployed; and

[(3) the Governor approves the request submitted under paragraph (1) and transmits a description of the approved request to the Secretary, as part of the Governor's coordination and special services plan under section 121.

[SEC. 204. PROGRAM DESIGN.

[(a) ESSENTIAL ELEMENTS.—

[(1) IN GENERAL.—The programs under this part shall include—

[(A) an objective assessment of the skill levels and service needs of each participant, which shall include a review of basic skills, occupational skills, prior work experience, employability, interests, aptitudes (including interests and aptitudes for nontraditional jobs), and supportive service needs, except that a new assessment of a participant is not required if the program determines it is appropriate to use a recent assessment of the participant conducted pursuant to another education or training program;

[(B) development of service strategies that shall identify the employment goal (including, in appropriate circumstances, nontraditional employment), appropriate achievement objectives, and appropriate services for participants taking into account the assessments conducted pursuant to subparagraph (A), except that a new service strategy for a participant is not required if the program determines it is appropriate to use a recent service strategy developed for the participant under another education or training program;

[(C) a review of the progress of each participant in meeting the objectives of the service strategy; and

[(D) each of the following services, which shall be provided either directly or through arrangement with other programs to a participant where the assessment and the service strategy indicate such services are appropriate:

[(i) Basic skills training.

[(ii) Occupational skills training.

[(iii) Supportive services.

[(2) ADDITIONAL REQUIREMENTS.—

[(A) INFORMATION AND REFERRALS.—Each service delivery area shall ensure that each participant or applicant who meets the minimum income eligibility criteria shall be provided—

[(i) information on the full array of applicable or appropriate services that are available through the service delivery area or other service providers, including those receiving funds under this Act; and

[(ii) referral to appropriate training and educational programs that have the capacity to serve the participant or applicant either on a sequential or concurrent basis.

[(B) APPLICANTS NOT MEETING ENROLLMENT REQUIREMENTS.—

[(i) SERVICE PROVIDERS.—Each service provider shall ensure that an eligible applicant who does not meet the enrollment requirements of its particular program or who cannot be served shall be referred to the service delivery area for further assessment, as necessary, and referral to appropriate programs in accordance with subparagraph (A) to meet the basic skills and training needs of the applicant.

[(ii) SERVICE DELIVERY AREA.—The service delivery area shall ensure that appropriate referrals are made pursuant to clause (i), and shall maintain appropriate records of such referrals and the basis for such referrals.

[(b) AUTHORIZED SERVICES.—Subject to the limitations contained in subsection (c), services that may be made available to each participant under this part may include—

[(1) direct training services, including—

[(A) basic skills training, including remedial education, literacy training, and English-as-a-second-language instruction;

[(B) institutional skills training;

[(C) on-the-job training;

[(D) assessment of the skill levels and service needs of participants;

[(E) counseling, such as job counseling and career counseling;

[(F) case management services;

[(G) education-to-work transition activities;

[(H) programs that combine workplace training with related instruction;

[(I) work experience;

[(J) programs of advanced career training that provide a formal combination of on-the-job and institutional training and internship assignments that prepare individuals for career employment;

[(K) training programs operated by the private sector, including programs operated by labor organizations or by consortia of private sector employers utilizing private sector facilities, equipment, and personnel to train workers in occupations for which demand exceeds supply;

[(L) skill upgrading and retraining;

[(M) bilingual training;

[(N) entrepreneurial training;

[(O) vocational exploration;

[(P) training programs to develop work habits to help individuals obtain and retain employment;

[(Q) attainment of certificates of high school equivalency;

[(R) preapprenticeship programs;

[(S) on-site, industry-specific training programs supportive of industrial and economic development;

[(T) customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training; and

[(U) use of advanced learning technology for education, job preparation, and skills training; and

[(2) training-related and supportive services, including—

[(A) job search assistance;

[(B) outreach to make individuals aware of, and encourage the use of, employment and training services, including efforts to expand awareness of training and placement opportunities for limited-English proficient individuals and individuals with disabilities;

[(C) outreach, to develop awareness of, and encourage participation in, education, training services, and work experience programs to assist women in obtaining nontraditional employment, and to facilitate the retention of women in nontraditional employment, including services at the site of training or employment;

[(D) specialized surveys not available through other labor market information sources;

[(E) dissemination of information on program activities to employers;

[(F) development of job openings;

[(G) programs coordinated with other Federal employment-related activities;

[(H) supportive services, as defined in section 4(24), necessary to enable individuals to participate in the program;

[(I) needs-based payments and financial assistance;

[(J) followup services with participants placed in unsubsidized employment; and

[(K) services to obtain job placements for individual participants.

[(c) Design of Services.—

[(1) Workplace context and integration.—Basic skills training provided under this part shall, in appropriate circumstances, have a workplace context and be integrated with occupational skills training.

[(2) Basic education or occupational skills.—

[(A) Additional services.—Except as provided in subparagraph (B), work experience, job search assistance, job search skills training, and job club activities provided under this part shall be accompanied by additional services designed to increase the basic education or occupational skills of a participant.

[(B) Lack of appropriateness and availability.—Each program assisted under this part may only provide job search assistance, job search skills training, and job club activities to a participant without the additional services described in subparagraph (A) if—

[(i) the assessment and service strategy of a participant indicate that the additional services are not appropriate; and

[(ii) the activities are not available to the participant through the employment service or other public agencies.

[(3) Needs-based payments.—Needs-based payments and financial assistance provided under this part shall be limited to payments necessary for participation in the program assisted under this part in accordance with a locally developed formula or procedure.

[(4) Counseling and supportive services.—Counseling and supportive services provided under this part may be provided to a participant for a period up to 1 year after the date on which the participant completes the program.

[(5) Prohibition on private actions.—Nothing in this section shall be construed to establish a right for a participant to bring an action to obtain services described in the assessment or service strategy developed under subsection (a)(1).

[(6) Volunteers.—The service delivery area shall make opportunities available for individuals who have successfully participated in programs under this part to volunteer assistance to participants in the form of mentoring, tutoring, and other activities.

[(d) Services for Older Individuals.—

[(1) In general.—The Governor is authorized to provide for job training programs that are developed in conjunction with service delivery areas within the State and that are consistent with the plan for the service delivery area prepared and submitted in accordance with section 104, and designed to ensure the training and placement of older individuals in employment opportunities with private business concerns. The Governor shall ensure that the program under this subsection provides services throughout the State to older individuals on an equitable basis, taking into account the relative share of the population of older individuals described in paragraph (6)(A) within the State, residing in each service delivery area.

[(2) Agreements.—

[(A) In general.—In carrying out this subsection, the Governor shall, after consultation with appropriate private industry councils and chief elected officials, enter into agreements with public agencies, nonprofit private organizations (including veterans organizations), private industry councils, service delivery areas, and private business concerns.

[(B) Priority.—In entering into the agreements described in subparagraph (A), the Governor shall give priority to national, State, and local agencies and organizations that have a record of demonstrated effectiveness in providing training and employment services to such older individuals.

[(3) Considerations.—The Governor shall give consideration to assisting programs involving training for jobs in growth industries and jobs reflecting the use of new technological skills.

[(4) Coordination.—In providing the services required by this subsection, the Governor shall make efforts to coordinate the delivery of such services with the delivery of services under title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.).

[(5) Eligibility.—

[(A) Economically disadvantaged.—Except as provided in subparagraph (B), an individual shall be eligible to participate in a job training program under this subsection only if the individual is economically disadvantaged and is an older individual.

[(B) Special rule.—

[(i) Individuals facing serious barriers to employment.—An individual who is not economically disadvantaged as described in subparagraph (A) shall be eligible to participate in a job training program under this subsection if the individual faces serious barriers to employment, is an older individual, and meets income eligibility requirements under title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.) subject to clause (ii).

[(ii) Limitation.—Not more than 10 percent of all participants in a program assisted under this subsection shall be individuals who are not economically disadvantaged.

[(6) Applicable requirements.—

[(A) In general.—Except as provided in subparagraph (B), the requirements of this Act applicable to programs conducted under this subsection shall be the same requirements applicable to the other programs conducted under this part.

[(B) Exceptions.—

[(i) Provisions not applicable.—The provisions of section 104, subsections (b)(7) and (j) of section 106, section 109, section 203, and section 204(a)(2) shall not be applicable to programs conducted under this subsection.

[(ii) GOVERNOR.—With respect to the application of sections 106(b), 108(b), 141(d)(3)(C), and 205 to programs conducted under this subsection, the term "service delivery area", as used in such provisions, means the Governor.

[(7) DEFINITION.—As used in this subsection, the term "older individual" means an individual age 55 or older.

[SEC. 205. LINKAGES.

[(a) IN GENERAL.—In conducting the program assisted under this part, service delivery areas shall establish appropriate linkages with other Federal programs. Such programs shall include, where feasible, programs assisted under—

[(1) the Adult Education Act (20 U.S.C. 1201 et seq.);

[(2) the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.);

[(3) the Wagner-Peyser Act (29 U.S.C. 49 et seq.);

[(4) the portions of title IV of the Social Security Act relating to work activities;

[(5) the employment program established under section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4));

[(6) the National Apprenticeship Act (29 U.S.C. 50 et seq.);

[(7) the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.);

[(8) title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.);

[(9) chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.);

[(10) the Stewart B. McKinney Homeless Assistance Act (Public Law 100–77; 101 Stat. 482);

[(11) the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.);

[(12) the National Literacy Act of 1991 (Public Law 102–73);

[(13) the Head Start Act (42 U.S.C. 9831 et seq.) (for purposes of child care services); and

[(14) any other provisions of this Act.

[(b) OTHER APPROPRIATE LINKAGES.—In addition to the linkages required under subsection (a), each service delivery area receiving financial assistance under this part shall establish other appropriate linkages to enhance the provision of services under this part. Such linkages may be established with local educational agencies, local service agencies, public housing agencies, community-based organizations, business and labor organizations, volunteer groups working with disadvantaged adults, and other training, education, employment, economic development, and social service programs.

[SEC. 206. TRANSFER OF FUNDS.

[A service delivery area may transfer up to 10 percent of the amounts allocated to the service delivery area under section 202(b) to the program under part C if such transfer is—

[(1) described in the job training plan; and

[(2) approved by the Governor.

[PART B—SUMMER YOUTH EMPLOYMENT AND TRAINING PROGRAM

[SEC. 251. PURPOSE.

[It is the purpose of programs assisted under this part—

[(1) to enhance the basic educational skills of youth;

[(2) to encourage school completion or enrollment in supplementary or alternative school programs;

[(3) to provide eligible youth with exposure to the world of work; and

[(4) to enhance the citizenship skills of youth.

[SEC. 252. AUTHORIZATION OF APPROPRIATIONS; ALLOTMENT AND ALLOCATION.

[(a) TERRITORIAL AND NATIVE AMERICAN ALLOCATION.—From the funds appropriated under section 3(a)(2), the Secretary shall first allocate to Guam, the Virgin Islands, American Samoa, the Federated States of Micronesia, the Republic of the Marshall Islands, Palau, the Commonwealth of the Northern Mariana Islands, and entities eligible under section 401 the same percentage of funds as were available to such areas and entities for the summer youth program in the fiscal year preceding the fiscal year for which the determination is made.

[(b) USE OF PART C FORMULA FOR ALLOTMENT AND ALLOCATION.—The remainder of funds appropriated under section 3(a)(2) shall, for each fiscal year, be allotted among States and allocated among service delivery areas in accordance with section 262, except that no portion of such funds shall be reserved to carry out subsection (a)(1) or (c) of such section.

[SEC. 253. USE OF FUNDS.

[(a) IN GENERAL.—Funds available under this part may be used for—

[(1) basic and remedial education, academic enrichment institutional and on-the-job training, work experience programs, youth corps programs, employment counseling, occupational training, preparation for work, outreach and enrollment activities, employability assessment, job referral and placement, job search assistance and job club activities, activities under programs described in section 265(b), and any other employment or job training activity designed to give employment to eligible individuals or prepare the individuals for, and place the individuals in, employment;

[(2) supportive services necessary to enable such individuals to participate in the program; and

[(3) administrative costs, not to exceed 15 percent of the funds available under this part.

[(b) BASIC AND REMEDIAL EDUCATION.—

[(1) IN GENERAL.—A service delivery area shall expend funds (available under this Act or otherwise available to the service delivery area) for basic and remedial education and training as described in the job training plan under section 104.

[(2) EDUCATION OR TRAINING.—The education and training authorized by paragraph (1) may be provided by—

[(A) the year-round program under part C;

[(B) the Job Corps;

[(D) youth corps programs;

[(E) alternative or secondary schools; or

[(F) other education and training programs.

[(c) Assessment and Service Strategy.—

[(1) Assessment.—

[(A) In general.—Except as provided in subparagraph (B), the programs under this part shall include an objective assessment of the basic skills and supportive services needs of each participant, which may include a review of occupational skills, prior work experience, employability, interests, and aptitudes.

[(B) Recent assessment.—A new assessment, or a factor of such assessment, of a participant is not required if the program determines it is appropriate to use a recent assessment of the participant conducted pursuant to another education or training program (such as a regular high school academic program).

[(2) Service strategy.—

[(A) In general.—Except as provided in subparagraph (B), the programs under this part shall include a service strategy for participants, which may identify achievement objectives, appropriate employment goals, and appropriate services for participants, taking into account the assessments conducted under paragraph (1).

[(B) Recent service strategy.—A new service strategy for a participant is not required if the program determines it is appropriate to use a recent service strategy developed for the participant under another education or training program (such as a regular high school academic program).

[(3) Basic education and preemployment training.—The programs under this part shall provide, either directly or through arrangements with other programs, each of the following services to a participant where the assessment and the service strategy indicate such services are appropriate:

[(A) Basic and Remedial Education.

[(B) Preemployment and Work Maturity Skills Training.

[(4) Integration of work and learning.—

[(A) Work experience.—Work experience provided under this part, to the extent feasible, shall include contextual learning opportunities which integrate the development of general competencies with the development of academic skills.

[(B) Classroom training.—Classroom training provided under this part shall, to the extent feasible, include opportunities to apply knowledge and skills relating to academic subjects to the world of work.

[(d) Followup Services.—Service delivery areas shall make followup services available for participants if the service strategy indicates such services are appropriate.

[(e) Educational Linkages.—In conducting the program assisted under this part, service delivery areas shall establish linkages with the appropriate educational agencies responsible for service to participants. Such linkages shall include arrangements to ensure that there is a regular exchange of information relating to the progress, problems and needs of participants, including the results of assessments of the skill levels of participants.

[SEC. 254. LIMITATIONS.

[(a) Use During Summer Months or Equivalent Vacation Period.—

[(1) Summer months.—Except as provided in paragraph (2), programs under this part shall be conducted during the summer months.

[(2) Vacation period.—A service delivery area may, within the jurisdiction of any local educational agency that operates schools on a year-round, full-time basis, offer the programs under this part to participants during a vacation period treated as the equivalent of a summer vacation.

[(b) Eligibility.—An individual shall be eligible to participate in the program assisted under this part if such individual—

[(1) is age 14 through 21; and

[(2)(A) is economically disadvantaged; or

[(B) has been determined to meet the eligibility requirements for free meals under the National School Lunch Act (42 U.S.C. 1751 et seq.) during the most recent school year.

[(c) Concurrent Enrollment.—

[(1) In general.—An eligible individual participating in a program assisted under this part may concurrently be enrolled in programs under part C. Appropriate adjustment to the youth performance standards (regarding attainment of competencies) under paragraphs (4)(A)(i) and (5) of section 106(b) shall be made to reflect the limited period of participation.

[(2) Concurrent enrollment and transfers.—Youth being served under this part or part C youth programs are not required to be terminated from participation in one program in order to enroll in the other. The Secretary shall provide guidance to service delivery areas on simplified procedures for concurrent enrollment and transfers for youth from one program to the other.

[(c) Prohibition on Private Actions.—Nothing in this part shall be construed to establish a right for a participant to bring an action to obtain services described in the assessment or service strategy developed under section 253(c).

[SEC. 255. APPLICABLE PROVISIONS.

[(a) Comparable Functions of Agencies and Officials.—Private industry councils established under title I, chief elected officials, State job training coordinating councils, and Governors shall have the same authority, duties, and responsibilities with respect to planning and administration of funds available under this part as the private industry councils, chief elected officials, State job training coordinating councils, and Governors have with respect to funds available under parts A and C.

[(b) Program Goals and Objectives.—Each service delivery area shall establish written program goals and objectives that shall be used for evaluating the effectiveness of programs conducted under this part. Such goals and objectives may include—

[(1) improvement in school retention and completion;

[(2) improvement in academic performance, including mathematics and reading comprehension;

[(3) improvement in employability skills; and

[(4) demonstrated coordination with other community service organizations such as local educational agencies, law enforcement agencies, and drug and alcohol abuse prevention and treatment programs.

[SEC. 256. TRANSFER OF FUNDS.

[A service delivery area may transfer up to 20 percent of the funds provided under this part to the program under part C if such transfer is approved by the Governor.

[PART C—YOUTH TRAINING PROGRAM

[SEC. 261. STATEMENT OF PURPOSE.

[It is the purpose of the programs assisted under this part to improve the long-term employability of youth, enhance the educational, occupational, and citizenship skills of youth, encourage school completion or enrollment in alternative school programs, increase the employment and earnings of youth, reduce welfare dependency, and assist youth in addressing problems that impair the ability of youth to make successful transitions from school to work, apprenticeship, the military, or postsecondary education and training.

[SEC. 262. ALLOTMENT AND ALLOCATION.

[(a) ALLOTMENT.—

[(1) TERRITORIES.—Of the amount appropriated under section 3(a)(1) for each fiscal year and available to carry out this part, not more than one-quarter of 1 percent shall be allotted among Guam, the Virgin Islands, American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and Palau.

[(2) STATE RESERVATION.—After determining the amounts to be allotted under paragraph (1), the Secretary shall allot 82 percent of the remainder to the States for allocation to service delivery areas within each State. Each State shall allocate to each service delivery area within the State the amount determined by the Secretary for such service delivery area pursuant to the formula contained in subsection (b). The remaining 18 percent shall be allotted in accordance with subsection (c).

[(b) ALLOCATION TO SERVICE DELIVERY AREAS.—

[(1) FORMULA.—Subject to the provisions of paragraph (2), of the amounts allocated to service delivery areas for this part for each fiscal year—

[(A) 33⅓ percent shall be allocated on the basis of the relative number of unemployed individuals residing in areas of substantial unemployment within each service delivery area as compared to the total number of such unemployed individuals in all such areas of substantial unemployment in all service delivery areas in all States;

[(B) 33⅓ percent shall be allocated on the basis of the relative excess number of unemployed individuals within each service delivery area as compared to the total excess number of unemployed individuals in all service delivery areas in all States; and

[(C) 33⅓ percent shall be allocated on the basis of the relative number of economically disadvantaged youth within each service delivery area as compared to the total number of economically disadvantaged youth in all service delivery areas in all States except that, for any service delivery area described in section 101(a)(4)(A)(iii), the allocation shall be based on the higher of the number of youth in families with an income below the low-income level in such area or the number of economically disadvantaged youth in such area.

[(2) LIMITATIONS.—

[(A) MINIMUM PERCENTAGE.—No service delivery area shall be allocated less than 90 percent of its allocation percentage for the fiscal year preceding the fiscal year for which the determination is made.

[(B) MAXIMUM PERCENTAGE.—No service delivery area shall be allocated more than 130 percent of its allocation percentage for the fiscal year preceding the fiscal year for which the determination is made.

[(C) STATE MINIMUM.—Notwithstanding subparagraphs (A) and (B), the total allocation for all service delivery areas within any one State shall not be less than one-quarter of 1 percent of the total allocated to all service delivery areas in all States.

[(D) ALLOCATION PERCENTAGE.—

[(i) IN GENERAL.—Except as provided in clause (ii), for purposes of subparagraphs (A) and (B), the allocation percentage of a service delivery area for a fiscal year shall be the percentage of funds allocated to the service delivery area under this subsection.

[(ii) FISCAL YEAR 1992.—For purposes of subparagraphs (A) and (B), the allocation percentage of a service delivery area for fiscal year 1992 shall be the percentage of funds allocated to the service delivery area under part A of title II.

[(c) STATE ACTIVITIES.—

[(1) DIVISION.—Of the remaining 18 percent of funds available for allotment to States under this part for each fiscal year—

[(A) 5 percent of the funds available for such allotment under this part shall be allotted to the States in accordance with paragraph (2), for overall administration, management, and auditing activities relating to programs under this title and for activities described in sections 121 and 122;

[(B) 5 percent of the funds available for such allotment under this part shall be allotted to the States in accordance with paragraph (2), to provide incentive grants authorized under section 106(b)(7), in accordance with paragraph (3); and

[(C) 8 percent of the funds available for such allotment under this part shall be allotted to the States in accordance with paragraph (2) to carry out section 123.

[(2) FORMULA FOR ALLOCATION.—The allotments to each State described in paragraph (1) shall be based on the relative amount of funds allocated to all service delivery areas within such State under subsection (b) as compared to the amount of funds allocated to all service delivery areas in all States under subsection (b).

[(3) OTHER USES.—

[(A) CAPACITY BUILDING AND TECHNICAL ASSISTANCE.—The Governor may use up to 33 percent of the amount allotted under paragraph (1)(B) for providing capacity building and technical assistance to service delivery areas and service providers. Such use of funds may include the development and training of service delivery area and service provider staff and the development of exemplary program activities.

[(B) NONDUPLICATION AND COORDINATION.—Funds used under subparagraph (A)—

[(i) may not be used to duplicate the activities of the Capacity Building and Information and Dissemination Network established under section 453(b); and

[(ii) shall, to the extent practicable, be used to coordinate the activities under subparagraph (A) with the activities of the Network under section 453(b).

[(d) DEFINITIONS AND RULE.—

[(1) DEFINITIONS.—As used in this section:

[(A) ECONOMICALLY DISADVANTAGED YOUTH.—The term "economically disadvantaged youth" means an individual who is age 16 through 21 and who has, or is a member of a family that has, received a total family income that, in relation to family size, was not in excess of the higher of—

[(i) the official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902(2)); or

[(ii) 70 percent of the lower living standard income level.

[(B) EXCESS NUMBER.—The terms "excess number" and "State" shall have the meanings given the terms in subparagraphs (B) and (C), respectively, of section 202(d)(1).

[(2) SPECIAL RULE.—For the purposes of this section, the Secretary shall, as appropriate and to the extent practicable, exclude college students and members of the Armed Forces from the determination of the number of economically disadvantaged youth.

[SEC. 263. ELIGIBILITY FOR SERVICES.

[(a) IN-SCHOOL YOUTH.—Except as provided in subsections (e) and (g), an individual who is in school shall be eligible to participate in the program under this part if such individual—

[(1)(A) is age 16 through 21; or

[(B) if provided in the job training plan, is age 14 through 21; and

[(2)(A) is economically disadvantaged;

[(B) is participating in a compensatory education program under title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2711 et seq.); or

[(C) has been determined to meet the eligibility requirements for free meals under the National School Lunch Act (42 U.S.C. 1751 et seq.) during the most recent school year.

[(b) Hard-To-Serve Individuals Who are In-School Youth.—Not less than 65 percent of the in-school individuals who participate in a program under this part shall be individuals who are included in one or more of the following categories:

[(1) Individuals who are basic skills deficient.

[(2) Individuals with educational attainment that is 1 or more grade levels below the grade level appropriate to the age of the individuals.

[(3) Individuals who are pregnant or parenting.

[(4) Individuals with disabilities, including a learning disability.

[(5) Individuals who are homeless or run-away youth.

[(6) Individuals who are offenders.

[(7) Individuals within a category established under subsection (h).

[(c) Out-of-School Youth.—Except as provided in subsection (e), an individual who is out of school shall be eligible to participate in the program under this part if such individual is—

[(1) age 16 through 21; and

[(2) economically disadvantaged.

[(d) Hard-To-Serve Individuals Who are Out-of-School Youth.—Not less than 65 percent of the out-of-school individuals who participate in a program under this part shall be individuals who are included in 1 or more of the following categories:

[(1) Individuals who are basic skills deficient.

[(2) Individuals who are school dropouts (subject to the conditions described in section 264(d)(2)).

[(3) Individuals who are pregnant or parenting.

[(4) Individuals with disabilities, including a learning disability.

[(5) Individuals who are homeless or run-away youth.

[(6) Individuals who are offenders.

[(7) Individuals in a category established under subsection (h).

[(e) Exceptions.—Not more than 10 percent of participants in a program assisted under this part in each service delivery area may be individuals who do not meet the requirements of subsection (a)(2) or (c)(2), if such individuals are within one or more categories of individuals who face serious barriers to employment. Such categories may include the categories described in subsections (b) and (d), or categories such as individuals with limited-English language proficiency, alcoholics, or drug addicts.

[(f) Ratio of Out-of-School to In-School Youth.—

[(1) In general.—Except as provided in paragraph (2), not less than 50 percent of the participants in the program under this part in each service delivery area shall be out-of-school individuals who meet the requirements of subsection (c), (d), or (e).

[(2) COUNTING OF IN-SCHOOL INDIVIDUALS.—In-school individuals served as a part of a schoolwide project under subsection (g) shall not be counted as a part of the ratio of in-school individuals to out-of-school individuals.

[(g) SCHOOLWIDE PROJECTS FOR LOW-INCOME SCHOOLS.—

[(1) IN GENERAL.—In addition to the individuals described in subsection (e), an individual who does not meet the requirements of subsection (a)(2) may participate in the programs assisted under this part if such individual is enrolled in a public school—

[(A) that is located in a poverty area;

[(B) that is served by a local educational agency that is eligible for assistance under title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2711 et seq.);

[(C) in which not less than 70 percent of the students enrolled are included in the categories described in subsection (b); and

[(D) that conducts a program under a cooperative arrangement that meets the requirements of section 265(d).

[(2) DEFINITION.—For the purposes of paragraph (1), the term "poverty area" means an urban census tract or a nonmetropolitan county with a poverty rate of 30 percent or more, as determined by the Bureau of the Census.

[(h) ADDITIONAL CATEGORY.—A service delivery area conducting a program assisted under this part may add one category of youth who face serious barriers to employment to the categories of eligible individuals specified in subsection (b) and one category to the categories of eligible individuals described in subsection (d) if—

[(1) the service delivery area submits a request to the Governor identifying the additional category of individuals and justifying the inclusion of such category;

[(2) the additional category of individuals is not solely comprised of—

[(A) individuals with a poor work history; or

[(B) individuals who are unemployed; and

[(3) the Governor approves the request submitted under paragraph (1) and transmits a description of the approved request to the Secretary, as part of the Governor's coordination and special services plan under section 121.

[SEC. 264. PROGRAM DESIGN.

[(a) YEAR-ROUND OPERATION.—The programs under this part shall be conducted on a year-round basis. Services shall be made available on a multiyear basis as appropriate.

[(b) ESSENTIAL ELEMENTS.—

[(1) IN GENERAL.—The programs under this part shall include—

[(A) an objective assessment of the skill levels and service needs of each participant, which assessment shall include a review of basic skills, occupational skills, prior work experience, employability, interests, aptitudes (including interests and aptitudes for nontraditional jobs), and supportive service needs, except that a new assessment of a participant is not required if the program determines it is appropriate to use a recent assessment of the participant conducted under another education or training program;

[(B) development of service strategies that shall identify the employment goal (including, in appropriate circumstances, nontraditional employment), appropriate achievement objectives, and appropriate services for participants taking into account the assessments conducted pursuant to subparagraph (A), except that a new service strategy for a participant is not required if the program determines it is appropriate to use a recent service strategy developed for the participant under another education or training program;

[(C) a review of the progress of each participant in meeting the objectives of the service strategy; and

[(D) each of the following services, which shall be provided either directly or through arrangement with other programs to a participant where the assessment and the service strategy indicate such services are appropriate:

[(i) Basic skills training.

[(ii) Occupational skills training.

[(iii) Preemployment and work maturity skills training.

[(iv) Work experience combined with skills training.

[(v) Supportive services.

[(2) ADDITIONAL REQUIREMENTS.—

[(A) INFORMATION AND REFERRALS.—Each service delivery area shall ensure that each participant or applicant who meets the minimum income eligibility criteria shall be provided—

[(i) information on the full array of applicable or appropriate services that are available through the service delivery area or other service providers, including those receiving funds under this Act; and

[(ii) referral to appropriate training and educational programs that have the capacity to serve the participant or applicant either on a sequential or concurrent basis.

[(B) APPLICANTS NOT MEETING ENROLLMENT REQUIREMENTS.—

[(i) SERVICE PROVIDERS.—Each service provider shall ensure that an eligible applicant who does not meet the enrollment requirements of its particular program or who cannot be served shall be referred to the service delivery area for further assessment, as necessary, and referral to appropriate programs in accordance with subparagraph (A) to meet the basic skills and training needs of the applicant.

[(ii) SERVICE DELIVERY AREA.—The service delivery area shall ensure that appropriate referrals are made pursuant to clause (i), and shall maintain appropriate records of such referrals and the basis for such referrals.

[(c) AUTHORIZED SERVICES.—Subject to the limitations contained in subsection (d), services which may be made available to youth with funds provided under this part may include—

[(1) direct training services, including—

[(A) the services described in section 204(b)(1);

[(B) tutoring and study skills training;

[(C) alternative high school services within programs that meet the requirements of section 141(o)(1);

[(D) instruction leading to high school completion or the equivalent;

[(E) mentoring;

[(F) limited internships in the private sector;

[(G) training or education that is combined with community and youth service opportunities in public agencies, nonprofit agencies, and other appropriate agencies, institutions, and organizations, including youth corps programs;

[(H) entry employment experience programs;

[(I) school-to-work transition services;

[(J) school-to-postsecondary education transition services;

[(K) school-to-apprenticeship transition services; and

[(L) preemployment and work maturity skills training; and

[(2) training-related and supportive services, including—

[(A) the services described in section 204(b)(2);

[(B) drug and alcohol abuse counseling and referral;

[(C) services encouraging parental, spousal, and other significant adult involvement in the program of the participant; and

[(D) cash incentives and bonuses based on attendance and performance in a program.

[(d) ADDITIONAL REQUIREMENTS.—

[(1) STRATEGIES AND SERVICES.—In developing service strategies and designing services for the program under this part, the service delivery area and private industry council shall take into consideration exemplary program strategies and practices, including the strategies and practices of model programs selected for replication under section 453(c).

[(2) SCHOOL DROPOUTS.—

[(A) PARTICIPATION REQUIREMENTS.—In order to participate in a program assisted under this part, except for interim periods, an individual who is under the age of 18 and a school dropout shall enroll in and attend a school, course, or program described in clause (ii) or (iii) of subparagraph (B).

[(B) SERVICE DELIVERY REQUIREMENTS.—

[(i) IN GENERAL.—Each service delivery area shall make available, in accordance with this subparagraph, to each participant in the program who is under the age of 18 and is a school dropout, at least 2 options for school attendance. Such options shall be provided concurrently or sequentially with other services provided under this part to each such participant as a part of the training of such participant.

[(ii) SCHOOL ATTENDANCE.—Each service delivery area shall provide, as one of the options for school attendance, an option for each such participant to enroll in and attend a high school equivalency program.

[(iii) ADDITIONAL OPTION.—Each service delivery area shall provide, as a second option for school attendance for each such participant—

[(I) an option to reenroll in and attend school;

[(II) an option to enroll in and attend an alternative high school; or

[(III) an option to enroll in and attend an alternative course of study approved by the local educational agency.

[(3) SKILLS TRAINING.—

[(A) PREEMPLOYMENT AND WORK MATURITY SKILLS TRAINING.—Preemployment and work maturity skills training authorized by this part shall be accompanied by either work experience or other additional services designed to increase the basic education or occupational skills of a participant. The additional services may be provided, concurrently or sequentially, under other education and training programs, including the Job Corps.

[(B) ADDITIONAL SERVICES.—Work experience, job search assistance, job search skills training, and job club activities provided under this part shall be accompanied by additional services designed to increase the basic education or occupational skills of a participant. The additional services may be provided, concurrently or sequentially, under other education and training programs, including the Job Corps.

[(C) ON-THE-JOB TRAINING.—

[(i) POSITIONS.—On-the-job training authorized under this part shall only be available in positions that—

[(I) pay the participant a wage that equals or exceeds the average wage at placement in the service delivery area for participants under part A; and

[(II) have career advancement potential.

[(ii) FORMAL PROGRAM OR STRUCTURED JOB TRAINING.—On-the-job training authorized under this part shall include a formal program of structured job training that will provide participants with an orderly sequence of instruction in work maturity skills, general employment competencies, and occupationally specific skills.

[(iii) PARTICIPATION REQUIREMENT.—In order to participate in on-the-job training authorized under this part, except for interim periods, an individual who has not attained a high school diploma or its equivalent shall concurrently enroll in and attend a school, course, or program described in clause (ii) or (iii) of paragraph (2)(B).

[(4) Needs-based payments.—Needs-based payments and financial assistance provided under this part shall be limited to payments necessary for participation in the program assisted under this part in accordance with a locally developed formula or procedure.

[(5) Counseling and supportive services.—Counseling and supportive services provided under this part may be provided to a participant for a period of up to 1 year after the date on which the participant completes the program.

[(6) Prohibition on private actions.—Nothing in this section shall be construed to establish a right for a participant to bring an action to obtain services described in the assessment or service strategy developed under subsection (b)(1).

[(7) Volunteers.—The service delivery area shall make opportunities available for successful individuals who have previously participated in programs under this part to volunteer assistance to participants in the form of mentoring, tutoring, and other activities.

[SEC. 265. LINKAGES.

[(a) Educational Linkages.—In conducting the program assisted under this part, service delivery areas shall establish linkages with the appropriate educational agencies responsible for service to participants. Such linkages shall include—

[(1) formal agreements with local educational agencies that will identify—

[(A) the procedures for referring and serving in-school youth;

[(B) the methods of assessment of in-school youth; and

[(C) procedures for notifying the program when a youth drops out of the school system;

[(2) arrangements to ensure that the program under this part supplements existing programs provided by local educational agencies to in-school youth;

[(3) arrangements to ensure that the program under this part utilizes, to the extent possible, existing services provided by local educational agencies to out-of-school youth; and

[(4) arrangements to ensure that for in-school participants there is a regular exchange of information between the program and the educational agency relating to participant progress, problems, and needs, including, in appropriate circumstances, interim assessment results.

[(b) Education and Training Program Linkages.—In conducting the program assisted under this part, service delivery areas shall establish appropriate linkages with other education and training programs authorized under Federal law. Such programs shall include, where feasible, programs assisted under—

[(1) part B of title IV (the Job Corps);

[(2) parts A through C of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2711 et seq.);

[(3) the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.);

[(4) the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.);

[(5) the Wagner-Peyser Act (29 U.S.C. 49 et seq.);

[(6) the portion of title IV of the Social Security Act relating to work activities;

[(7) the Food Stamp Act (7 U.S.C. 2011 et seq.);

[(8) the National Apprenticeship Act (29 U.S.C. 50 et seq.);

[(9) the Stewart B. McKinney Homeless Assistance Act (Public Law 100–77; 101 Stat. 482); and

[(10) any other provisions of this Act.

[(c) OTHER PROGRAMS.—In addition to the linkages required under subsections (a) and (b), service delivery areas receiving financial assistance under this part shall establish other appropriate linkages to enhance the provision of services under this part. Such linkages may be established with State and local service agencies, public housing agencies, community-based organizations, business and labor organizations, volunteer groups working with at-risk youth, parents and family members, juvenile justice systems, and other training, education, employment and social service programs, including programs conducted under part A.

[(d) SCHOOLWIDE PROJECTS FOR LOW-INCOME SCHOOLS.—In conducting a program serving individuals specified in section 263(g), the service delivery area shall establish a cooperative arrangement with the appropriate local educational agency that shall, in addition to the other requirements of this section, include—

[(1) a description of the ways in which the program will supplement the educational program of the school;

[(2) identification of measurable goals to be achieved by the program and provision for assessing the extent to which such goals are met;

[(3) a description of the ways in which the program will use resources provided under this part and resources provided under other education programs to achieve the goals identified in paragraph (2);

[(4) a description of the number of individuals to be served; and

[(5) assurances that the resources provided under this part shall be used to supplement and not supplant existing sources of funds.

[SEC. 266. TRANSFER OF FUNDS.

[A service delivery area may transfer up to 10 percent of the amounts allocated to the service delivery area under section 262(b) to the program under part A if such transfer is—

[(1) described in the job training plan; and

[(2) approved by the Governor.]

TITLE II—DISADVANTAGED YOUTH EMPLOYMENT AND TRAINING OPPORTUNITIES GRANTS

SEC. 201. STATEMENT OF PURPOSE.

It is the purpose of the programs assisted under this part to improve the long-term employability of youth, enhance the educational, occupational, and citizenship skills of youth, encourage school completion or enrollment in alternative school programs, increase the *employment and earnings of youth, reduce welfare dependency, and assist youth in addressing problems that impair the ability of youth to make successful transitions from school to work, apprenticeship, the military, or postsecondary education and training.*

SEC. 202. AUTHORIZATION.

(a) IN GENERAL.—In the case of each State that in accordance with the requirements of sections 101 and 102 submits to the Secretary of Labor (hereinafter in this title referred to as the "Secretary") a State plan, the Secretary shall provide a grant to the State for the purpose of providing employment, job training, educational, and related assistance for disadvantaged youth in the State.

(b) AMOUNT.—The grant shall consist of the allotment determined for the State under section 203.

SEC. 203. ALLOTMENT AND ALLOCATION AMONG STATES.

(a) IN GENERAL.—Of the amount appropriated pursuant to section 3(a)(1) to carry out this title for a fiscal year, the Secretary shall allot such amount in accordance with subsection (b).

(b) ALLOTMENT AMONG STATES.—

(1) OUTLYING AREAS.—

(A) IN GENERAL.—From the amount appropriated for any fiscal year to carry out this title, the Secretary shall reserve not more than one quarter of one percent to provide assistance to—

(i) the outlying areas; and

(ii) for each of the fiscal years 1998 through 2001, to carry out the competition described in subparagraph (B), except that the amount reserved to carry out such subparagraph for any such fiscal year shall not exceed the amount reserved for the freely associated states for fiscal year 1997, from amounts reserved under section 262(a)(1) of the Job Training Partnership Act (29 U.S.C. 1642(a)(1)) (as such section was in effect on the day before the date of the enactment of Employment, Training, and Literacy Enhancement Act of 1997).

(B) LIMITATION FOR FREELY ASSOCIATED STATES.—

(i) COMPETITIVE GRANTS.—The Secretary shall use funds described in subparagraph (A)(ii) to award grants to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the freely associated states to carry out the purposes of this title.

(ii) AWARD BASIS.—The Secretary shall award grants pursuant to clause (i) on a competitive basis and pursuant to the recommendations of experts in the field of employment and training, working through the Pacific Region Educational Laboratory in Honolulu, Hawaii.

(iii) ASSISTANCE REQUIREMENTS.—Any freely associated state that desires to receive amounts under this title shall include in its application for assistance—

(I) information demonstrating that it will meet all conditions that apply to States under this title;

(II) an assurance that, notwithstanding any other provision of this title, it will use such

amounts only for the direct provision of services; and

(III) such other information and assurances as the Secretary may require.

(iv) TERMINATION OF ELIGIBILITY.—Notwithstanding any other provision of law, the freely associated states shall not receive any funds under this title for any program year that begins after September 30, 2001.

(v) ADMINISTRATIVE COSTS.—The Secretary may provide not more than 5 percent of the amount made available for grants under this subparagraph to pay the administrative costs of the Pacific Region Educational Laboratory in Honolulu, Hawaii, regarding activities assisted under this section.

(C) ADDITIONAL REQUIREMENT.—The provisions of Public Law 95–134, permitting the consolidation of grants by the outlying areas, shall not apply to funds provided to those areas or to the freely associated states under this section.

(D) DEFINITION.—For purposes of this paragraph, the term "freely associated states" means the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

(2) STATE RESERVATION.—

(A) IN GENERAL.—After determining the amounts to be allotted under paragraph (1), the Secretary shall allot the remaining amount to the States pursuant to the formula contained in subparagraph (B).

(B) FORMULA.—Subject to the provisions of subparagraphs (C) and (D) of the amounts allotted to States for this title for each fiscal year—

(i) 33⅓ percent shall be allotted on the basis of the relative number of unemployed individuals residing in areas of substantial unemployment within each State as compared to the total number of such unemployed individuals in all such areas of substantial unemployment in all States;

(ii) 33⅓ percent shall be allotted on the basis of the relative excess number of unemployed individuals who reside in each State as compared to the total excess number of unemployed individuals in all States; and

(iii) 33⅓ percent shall be allotted on the basis of the relative number of economically disadvantaged youth within each State as compared to the total number of economically disadvantaged youth in all States.

(C) MINIMUM ALLOTMENT.—

(i) MINIMUM PERCENTAGE.—No State shall be allotted less than 90 percent of its allotment percentage for the fiscal year preceding the fiscal year for which the determination is made.

(ii) MAXIMUM PERCENTAGE.—No State shall be allotted more than 130 percent of its allotment percentage for the fiscal year preceding the fiscal year for which the determination is made.

(D) SMALL STATE MINIMUM ALLOTMENT.—No State shall receive less than one-quarter of one percent of the amount available under this title for a fiscal year. Amounts necessary for increasing such payments to States to comply with the preceding sentence shall be obtained by ratably reducing the amounts to be paid to other States.

(c) DEFINITIONS AND RULE.—

(1) DEFINITIONS.—As used in this section:

(A) DISADVANTAGED YOUTH.—The term "disadvantaged youth" means an individual who is age 16 through 21 and who has, or is a member of a family that has, received a total family income that, in relation to family size, was not in excess of the higher of—

(i) the official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902(2)); or

(ii) 70 percent of the lower living standard income level.

(B) EXCESS NUMBER.—The terms "excess number" and "State" shall have the meanings given the terms in subparagraphs (B) and (C), respectively, of section 202(d)(1).

(2) SPECIAL RULE.—For the purposes of this section, the Secretary shall, as appropriate and to the extent practicable, exclude college students and members of the Armed Forces from the determination of the number of economically disadvantaged youth.

SEC. 204. ALLOCATION WITHIN STATES.

(a) RESERVATION FOR STATE ACTIVITIES.—

(1) IN GENERAL.—

(A) RESERVATION.—The Governor of the State shall reserve not more than 25 percent of the amount allotted to the State under section 203(b) for a fiscal year to carry out the activities described in this subsection.

(B) MATCHING FUNDS FOR OUT-OF-SCHOOL YOUTH PROGRAMS.—Of the amount reserved under subparagraph (A), the Governor shall reserve 10 percent of the total amount alloted to the State under section 203(b) for any fiscal year to award grants in accordance with this title to programs for disadvantaged youth services that—

(i) serve only out-of-school youth; and

(ii) agree to provide funds from non-Federal sources for such services in an amount equal to the Federal funds received under this title.

(2) REQUIRED ACTIVITIES.—Activities described in paragraph (1)(A) shall include the provision of additional assistance to areas that have high concentrations of disadvantaged youth to carry out the activities described in section 206.

(3) DISCRETIONARY ACTIVITIES.—Activities described in paragraph (1)(A) may include—

(A) subject to paragraph (4), administration by the State of programs under this title;

(B) capacity building and technical assistance to local workforce development areas and to providers of disadvan-

taged youth services as authorized under this title, including the development and training of staff, members of local workforce development boards, and employers and workplace mentors providing training through programs authorized under this title;

(C) incentives for program coordination and integration, performance awards, and research and demonstrations;

(D) implementation of innovative disadvantaged youth employment and training programs, pilot projects, and demonstration projects which further the purposes of this title; and

(E) support for a common management information system across employment, training, literacy, and human resource programs as identified in section 103.

(4) LIMITATION.—Of the amount reserved by the Governor under paragraph (1)(A), not more than 5 percent of the total amount allotted to the State under section 203(b) may be used for administration by the State of programs under this title.

(b) WITHIN STATE ALLOCATION.—

(1) IN GENERAL.—The Governor of the State shall allocate the remainder of the amount allotted to the State under section 203(b) to workforce development areas designated under section 121, for the purpose of providing services for disadvantaged youth in accordance with section 206.

(2) WITHIN STATE FORMULA.—

(A) ESTABLISHMENT.—The Governor, through the collaborative process under section 102, and after consultation with local chief elected officials in the local workforce development areas, shall develop a formula for the allocation of the remainder of funds described in paragraph (1) to workforce development areas, taking into account—

(i) the relative number of unemployed individuals residing in areas of substantial unemployment within each local workforce development area, as compared to the total number of such unemployed individuals residing within the State;

(ii) the relative number of disadvantaged youth residing within each local workforce development area as compared to the total number of disadvantaged youth residing within the State;

(iii) the relative excess number of unemployed individuals who reside within each local workforce development area as compared to the total excess number of unemployed individuals residing within the State; and

(iv) such additional factors as are determined appropriate by the State.

(B) ADDITIONAL FACTORS.—In establishing such formula, the Governor shall ensure that—

(i) funds are distributed equitably throughout the State;

(ii) factors described in subparagraph (A) do not receive disproportionate weighting; and

(iii) such formula protects local workforce development areas from significant funding shifts from year to year.

SEC. 205. ELIGIBILITY FOR SERVICES.

(a) In General.—Except as provided in subsection (c), an individual shall be eligible to participate in the program under this title if such individual—

(1)(A) is age 16 through 21; or

(B) if provided in the local plan developed pursuant to section 122(d)(1), is age 14 through 24; and

(2)(A) is economically disadvantaged;

(B) is participating in a compensatory education program under title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2711 et seq.); or

(C) has been determined to meet the eligibility requirements for free meals under the National School Lunch Act (42 U.S.C. 1751 et seq.) during the most recent school year.

(b) Priority for Service.—

(1) Priority.—Of the disadvantaged youth described in subsection (a), priority for service shall be given to school dropouts and to other hard-to-serve youth.

(2) Definition.—For the purposes of this title, the term "hard-to-serve youth" includes—

(A) Individuals who are school dropouts.

(B) Individuals who are basic skills deficient.

(C) Individuals with educational attainment that is 1 or more grade levels below the grade level appropriate to the age of the individuals.

(D) Individuals who are pregnant or parenting.

(E) Individuals with disabilities, including a learning disability.

(F) Individuals who are homeless or run-away youth.

(G) Individuals who are offenders.

(H) Other disadvantaged youth who face serious barriers to employment as identified by the local workforce development area.

(c) Exceptions.—Not more than 10 percent of participants in a program assisted under this part in each service delivery area may be individuals who do not meet the requirements of subsection (a), if such individuals are within one or more categories described in subparagraphs (A) through (G) of subsection (b)(2).

SEC. 206. PROGRAM DESIGN.

(a) Program Design.—

(1) Essential elements.—The programs under this title shall—

(A) provide an objective assessment of the academic levels, skill levels, and service needs of each participant, which assessment shall include a review of basic skills, occupational skills, prior work experience, employability, interests, aptitudes (including interests and aptitudes for nontraditional jobs), supportive service needs, and developmental needs of such participants, except that a new assessment of a participant is not required if the program de-

termines it is appropriate to use a recent assessment of the participant conducted under another education or training program;

(B) develop service strategies for each participant that shall identify the employment goal (including, in appropriate circumstances, nontraditional employment), appropriate achievement objectives, and appropriate services for participants taking into account the assessments conducted pursuant to subparagraph (A), except that a new service strategy for a participant is not required if the program determines it is appropriate to use a recent service strategy developed for the participant under another education or training program;

(C) integrate academic, occupational, and work-based learning opportunities;

(D) provide comprehensive guidance and counseling;

(E) provide postsecondary educational or training opportunities, where appropriate;

(F) involve employers and parents in the design and implementation of programs; and

(G) provide adult mentoring.

(2) ADDITIONAL REQUIREMENTS.—

(A) INFORMATION AND REFERRALS.—Each workforce development area shall ensure that each participant or applicant who meets the minimum income eligibility criteria shall be provided—

(i) information on the full array of applicable or appropriate services that are available through the workforce development area or other service providers, including those receiving funds under this Act; and

(ii) referral to appropriate training and educational programs that have the capacity to serve the participant or applicant either on a sequential or concurrent basis.

(B) APPLICANTS NOT MEETING ENROLLMENT REQUIREMENTS.—Each service provider shall ensure that an eligible applicant who does not meet the enrollment requirements of its particular program or who cannot be served shall be referred to the service delivery area for further assessment, as necessary, and referral to appropriate programs in accordance with subparagraph (A) to meet the basic skills and training needs of the applicant.

(b) AUTHORIZED SERVICES.—Subject to the limitations contained in subsection (d), services which may be made available to youth with funds provided under this title may include—

(1) direct training services, including—

(A) the services described in section 314(c)(4);

(B) tutoring and study skills training;

(C) alternative high school services within programs that meet the requirements of section 141(11)(A);

(D) instruction leading to high school completion or the equivalent;

(E) mentoring;

(F) paid and unpaid work experience, including summer employment opportunities that are directly linked to academic, occupational, and workbased learning opportunities, which may include limited internships in the private sector;

(G) training or education that is combined with community and youth service opportunities, including youth corps programs; and

(H) such other training and transition services that assist disadvantaged youth in making the transition to employment or to postsecondary education or training, as determined appropriate by the local workforce development area.

(2) training-related and supportive services, including—

(A) assessment, outreach, staff development, job development, and job search assistance activities;

(B) drug and alcohol abuse counseling and referral;

(C) services encouraging parental, spousal, and other significant adult involvement in the program of the participant;

(D) incentives and bonuses based on attendance and performance in a program; and

(E) peer-centered activities encouraging responsibility and other positive social behaviors during non-school hours.

(c) Additional Requirements.—

(1) Strategies and services.—In developing service strategies and designing services for the program under this part, the workforce development area and local board shall take into consideration exemplary program strategies and practices, including the strategies and practices of model programs selected for replication under part D of title IV.

(2) School dropouts.—

(A) Participation requirements.—In order to participate in a program assisted under this part, except for interim periods, an individual who is under the age of 18 and a school dropout shall enroll in and attend a school, course, or program described in clause (ii) or (iii) of subparagraph (B).

(B) Service delivery requirements.—

(i) In general.—Each workforce development area shall make available, in accordance with this subparagraph, to each participant in the program who is under the age of 18 and is a school dropout, at least 2 options for school attendance. Such options shall be provided concurrently or sequentially with other services provided under this part to each such participant as a part of the training of such participant.

(ii) School attendance.—Each workforce development area shall provide, as one of the options for school attendance, an option for each such participant to enroll in and attend a high school equivalency program.

(iii) Additional option.—Each workforce development area shall provide, as a second option for school attendance for each such participant—

(I) an option to reenroll in and attend school;

(II) an option to enroll in and attend an alternative high school; or

(III) an option to enroll in and attend an alternative course of study approved by the local educational agency.

(3) SKILLS TRAINING.—

(A) WORK-RELATED ACTIVITIES.—Preemployment and work maturity skills training, summer employment, job search assistance, job club activities, and other work-related activities authorized by this title shall be accompanied by occupational and academic learning opportunities designed to increase the basic education and occupational skills of a participant. The additional services may be provided, concurrently or sequentially, under other education and training programs.

(B) ON-THE-JOB TRAINING.—

(i) FORMAL PROGRAM OR STRUCTURED JOB TRAINING.—On-the-job training authorized under this title shall include a formal program of structured job training that will provide participants with an orderly sequence of instruction in work maturity skills, general employment competencies, and occupationally specific skills.

(ii) PARTICIPATION REQUIREMENT.—In order to participate in on-the-job training authorized under this part, except for interim periods, an individual who has not attained a high school diploma or its equivalent shall concurrently enroll in and attend a school, course, or program described in clause (ii) or (iii) of paragraph (2)(B).

(4) NEEDS-BASED PAYMENTS.—Needs-based payments and financial assistance provided under this part shall be limited to payments necessary for participation in the program assisted under this part in accordance with a locally developed formula or procedure.

(5) FOLLOW-UP, COUNSELING AND SUPPORTIVE SERVICES.—Counseling and supportive services provided under this title may be provided to a participant after the date on which the participant completes the program.

(6) VOLUNTEERS.—The workforce development area shall make opportunities available for successful individuals who have previously participated in programs under this part to volunteer assistance to participants in the form of mentoring, tutoring, and other activities.

SEC. 207. SELECTION OF SERVICE PROVIDERS.

From funds made available under section 204(b) to a local workforce development area, the local board for such local area shall award grants, on a competitive basis, to eligible providers to carry out the disadvantaged youth programs described in section 206.

SEC. 208. LINKAGES.

(a) EDUCATIONAL LINKAGES.—In conducting the program assisted under this part, workforce development areas shall establish linkages with the appropriate educational agencies responsible for service to participants. Such linkages shall include—

(1) formal agreements with local educational agencies that will identify—

(A) the procedures for referring and serving in-school youth;

(B) the methods of assessment of in-school youth; and

(C) procedures for notifying the program when a youth drops out of the school system;

(2) arrangements to ensure that the program under this part supplements existing programs provided by local educational agencies to in-school youth;

(3) arrangements to ensure that the program under this part utilizes, to the extent possible, existing services provided by local educational agencies to out-of-school youth; and

(4) arrangements to ensure that for in-school participants there is a regular exchange of information between the program and the educational agency relating to participant progress, problems, and needs, including, in appropriate circumstances, interim assessment results.

(b) EDUCATION AND TRAINING PROGRAM LINKAGES.—In conducting the program assisted under this part, workforce development areas shall establish appropriate linkages with other education and training programs authorized under Federal law. Such programs shall include, where feasible, programs assisted under—

(1) part B of title IV (the Job Corps);

(2) parts A through C of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2711 et seq.);

(3) the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.);

(4) the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.);

(5) the Wagner-Peyser Act (29 U.S.C. 49 et seq.);

(6) title I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996;

(7) the Food Stamp Act (7 U.S.C. 2011 et seq.);

(8) the National Apprenticeship Act (29 U.S.C. 50 et seq.);

(9) the Stewart B. McKinney Homeless Assistance Act (Public Law 100–77; 101 Stat. 482); and

(10) any other provisions of this Act.

(c) OTHER PROGRAMS.—In addition to the linkages required under subsections (a) and (b), workforce development areas receiving financial assistance under this part shall establish other appropriate linkages to enhance the provision of services under this part. Such linkages may be established with State and local service agencies, public housing agencies, community-based organizations, business and labor organizations, volunteer groups working with at-risk youth, parents and family members, juvenile justice systems, and other training, education, employment and social service programs.

[TITLE III—EMPLOYMENT AND TRAINING ASSISTANCE FOR DISLOCATED WORKERS

[DEFINITIONS

[SEC. 301. (a) DISLOCATED WORKERS.—(1) For purposes of this title, the term "eligible dislocated workers" means individuals who—

[(A) have been terminated or laid off or who have received a notice of termination or layoff from employment, are eligible for or have exhausted their entitlement to unemployment compensation, and are unlikely to return to their previous industry or occupation;

[(B) have been terminated or have received a notice of termination of employment, as a result of any permanent closure of or any substantial layoff at a plant, facility, or enterprise;

[(C) are long-term unemployed and have limited opportunities for employment or reemployment in the same or a similar occupation in the area in which such individuals reside, including older individuals who may have substantial barriers to employment by reason of age; or

[(D) were self-employed (including farmers and ranchers) and are unemployed as a result of general economic conditions in the community in which they reside or because of natural disasters, subject to regulations prescribed by the Secretary.

[(2) For purposes of this title, the term "additional dislocated worker" means a displaced homemaker as that term is defined in section 4(29) of this Act.

[(3) The Secretary shall establish categories of self-employed individuals and of economic conditions and natural disasters to which paragraph (1)(D) applies.

[(b) ADDITIONAL DEFINITIONS.—For the purposes of this title—

[(1) The term "labor-management committees" means committees voluntarily established to respond to actual or prospective worker dislocation, which ordinarily include (but are not limited to) the following—

[(A) shared and equal participation by workers and management;

[(B) shared financial participation between the company and the State, using funds provided under this title, in paying for the operating expenses of the committee;

[(C) a chairperson, to oversee and guide the activities of the committee, (i) who shall be jointly selected by the labor and management members of the committee, (ii) who is not employed by or under contract with labor or management at the site, and (iii) who shall provide advice and leadership to the committee and prepare a report on its activities;

[(D) the ability to respond flexibly to the needs of affected workers by devising and implementing a strategy for assessing the employment and training needs of each dislocated worker and for obtaining the services and assistance necessary to meet those needs;

[(E) a formal agreement, terminable at will by the workers or the company management, and terminable for cause by the Governor; and

[(F) local job identification activities by the chairman and members of the committee on behalf of the affected workers.

[(2) The term "local elected official" means the chief elected executive officer of a unit of general local government in a substate area.

[(3) The term "service provider" means a public agency, private nonprofit organization, or private-for-profit entity that delivers educational, training, or employment services.

[(4) The term "substate area" means that geographic area in a State established pursuant to section 312(a).

[(5) The term "substate grantee" means that agency or organization selected to administer programs pursuant to section 312(b).

[(6) The term "State" means any of the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

[ALLOTMENT

[SEC. 302. (a) ALLOTMENT OF FUNDS.—From the funds appropriated pursuant to section 3(b) for any fiscal year, the Secretary shall—

[(1) allot 80 percent of such funds in accordance with the provisions of subsection (b); and

[(2) reserve 20 percent for use under part B of this title, subject to the reservation required by subsection (e) of this section.

[(b) ALLOTMENT AMONG STATES.—(1) Subject to the provisions of paragraph (2), the Secretary shall allot the amount available in each fiscal year under subsection (a)(1) on the basis of the following factors:

[(A) One-third of such amount shall be allotted among the States on the basis of the relative number of unemployed individuals who reside in each State as compared to the total number of unemployed individuals in all the States.

[(B) One-third of such amount shall be allotted among the States on the basis of the relative excess number of unemployed individuals who reside in each State as compared to the total excess number of unemployed individuals in all the States. For purposes of this paragraph, the term "excess number" means the number which represents unemployed individuals in excess of 4.5 percent of the civilian labor force in the State.

[(C) One-third of such amount shall be allotted among the States on the basis of the relative number of individuals who have been unemployed for 15 weeks or more and who reside in each State as compared to the total number of such individuals in all the States.

[(2) As soon as satisfactory data are available under section 462(e) of this Act, the Secretary shall allot amounts appropriated to carry out part A for any fiscal year to each State so that—

[(A) 25 percent of such amount shall be allotted on the basis of each of the factors described in subparagraphs (A), (B), and

(C) of paragraph (1), respectively, for a total of 75 percent of the amount allotted; and

[(B) 25 percent of such amount shall be allotted among the States on the basis of the relative number of dislocated workers in such State in the most recent period for which satisfactory data are available under section 462(e) and, when available, under section 462(f) of this Act.

[(c) RESERVATIONS FOR STATE ACTIVITIES AND FOR SUBSTATE GRANTEES IN NEED.—(1) The Governor may reserve not more than 40 percent of the amount allotted to the State under section 302(a)(1) for—

[(A) State administration, technical assistance, and coordination of the programs authorized under this title;

[(B) statewide, regional, or industrywide projects;

[(C) rapid response activities as described in section 314(b);

[(D) establishment of coordination between the unemployment compensation system and the worker adjustment program system; and

[(E) discretionary allocation for basic readjustment and retraining services to provide additional assistance to areas that experience substantial increases in the number of dislocated workers, to be expended in accordance with the substate plan or modification thereof.

[(2) In addition, the Governor may reserve not more than 10 percent of the amount allotted to the State under section 302(a)(1) for allocation among substate grantees. The amount so reserved shall be allocated on the basis of need and distributed to such grantees not later than 9 months after the beginning of the program year for which the allotment was made.

[(d) WITHIN STATE DISTRIBUTION.—The Governor shall allocate the remainder of the amount allotted to the State under this part to substate areas for services authorized in this part, based on an allocation formula prescribed by the Governor. Such formula may be amended by the Governor not more than once for each program year. Such formula shall utilize the most appropriate information available to the Governor to distribute amounts to address the State's worker readjustment assistance needs. Such information shall include (but is not limited to)—

[(1) insured unemployment data;

[(2) unemployment concentrations;

[(3) plant closing and mass layoff data;

[(4) declining industries data;

[(5) farmer-rancher economic hardship data; and

[(6) long-term unemployment data.

[(e) RESERVATION FOR THE TERRITORIES.—Not more than 0.3 percent of the amounts appropriated pursuant to section 3(b) and available under subsection (a)(2) of this section for any fiscal year shall be allocated among the Commonwealth of the Northern Mariana Islands and the other territories and possessions of the United States.

[RECAPTURE AND REALLOTMENT OF UNEXPENDED FUNDS

[SEC. 303. (a) GENERAL REALLOTMENT AUTHORITY.—For program years beginning July 1, 1989, and thereafter, the Secretary shall, in accordance with the requirements of this section, reallot to eligible States the funds allotted to States from funds appropriated for such program year that are available for reallotment.

[(b) AMOUNT AVAILABLE FOR REALLOTMENT.—The amount available for reallotment is equal to—

[(1) the amount by which the unexpended balance of the State allotment at the end of the program year prior to the program year for which the determination under this section is made exceeds 20 percent of such allotment for that prior program year; plus

[(2) the unexpended balance of the State allotment from any program year prior to the program year in which there is such excess.

[(c) METHOD OF REALLOTMENT.—(1) The Secretary shall determine the amount that would be allotted to each eligible State by using the factors described in section 302(b) to allocate among eligible States the amount available pursuant to subsection (b) of this section.

[(2) The Secretary shall allot to each eligible high unemployment State the amount determined for that State under the procedure in paragraph (1) of this subsection.

[(3) The Secretary shall, by using the factors described in section 302(b), allot to eligible States the amount available that remains after the allotment required by paragraph (2) of this subsection.

[(d) STATE PROCEDURES WITH RESPECT TO REALLOTMENT.—The Governor of each State shall prescribe uniform procedures for the expenditure of funds by substate grantees in order to avoid the requirement that funds be made available for reallotment under subsection (b). The Governor shall further prescribe equitable procedures for making funds available from the State and substate grantees in the event that a State is required to make funds available for reallotment under such subsection.

[(e) DEFINITIONS.—(1) For the purpose of this section, an eligible State means a State which has expended at least 80 percent of its allotment for the program year prior to the program year for which the determination under this section is made.

[(2) For the purpose of this section, an eligible high unemployment State means a State—

[(A) which meets the requirement in subsection (c)(1), and

[(B) which is among the States which has an unemployment rate greater than the national average unemployment for the most recent 12 months for which satisfactory data are available.

[(3) For purposes of this section, funds awarded from discretionary funds of the Secretary shall not be included in calculating any of the reallotments described in this section.

[PART A—STATE DELIVERY OF SERVICES

[STATE PLAN

[SEC. 311. (a) STATE PLAN REQUIRED.—In order to receive an allotment of funds under section 302(b), the Governor of a State shall submit to the Secretary, on a biennial basis, a State plan describing in detail the programs and activities that will be assisted with funds provided under this title. The State plan shall be submitted on or before the first day of May immediately preceding the program year for which funds are first to be made available under this title. Such plan shall include incentives to provide training of greater duration for those who require it, consistent with section 106(c).

[(b) CONTENTS OF PLAN.—Each State plan shall contain provisions demonstrating to the satisfaction of the Secretary that the State will comply with the requirements of this title and that—

[(1) services under this title—

[(A) will, except as provided in paragraph (4), only be provided to eligible dislocated workers;

[(B) will not be denied to an eligible dislocated worker displaced by a permanent closure or substantial layoff within the State, regardless of the State of residence of such worker; and

[(C) may be provided to other eligible dislocated workers regardless of the State of residence of such worker;

[(2) the State will designate or create an identifiable State dislocated worker unit or office with the capability to respond rapidly, on site, to permanent closures and substantial layoffs throughout the State in order to assess the need for, and initially to provide for, appropriate basic readjustment services;

[(3) the State unit will—

[(A) make appropriate retraining and basic readjustment services available to eligible dislocated workers through the use of rapid response teams, substate grantees, and other appropriate organizations;

[(B) work with employers and labor organizations in promoting labor-management cooperation to achieve the goals of this title;

[(C) operate a monitoring, reporting, and management system which provides an adequate information base for effective program management, review, and evaluation; and

[(D) provide technical assistance and advice to substate grantees, including immediate notification to substate grantees of current or projected permanent closures or substantial layoffs in the substate area of such grantee to continue and expand the services initiated by the rapid response teams;

[(4) the State will provide to additional dislocated workers (as defined in section 301(a)(2)) the services available under this title to eligible dislocated workers only if the Governor of such State determines that such services may be provided to additional dislocated workers without adversely affecting the delivery of such services to eligible dislocated workers;

[(5) the State unit will exchange information and coordinate programs with—

[(A) the appropriate economic development agency, for the purpose of developing strategies to avert plant closings or mass layoffs and to accelerate the reemployment of affected individuals;

[(B) State education, training, and social services programs; and

[(C) all other programs available to assist dislocated workers (including the Job Service and the unemployment insurance system);

[(6) the State unit will disseminate throughout the State information on the availability of services and activities under this title;

[(7) any program conducted with funds made available under this title which will provide services to a substantial number of members of a labor organization will be established only after full consultation with such labor organization;

[(8) the State will not prescribe any standard for the operation of programs under this part that is inconsistent with section 106(c);

[(9) the State job training coordinating council has reviewed and commented in writing on the plan;

[(10) the delivery of services with funds made available under this title will be integrated or coordinated with services or payments made available under chapter 2 of title II of the Trade Act of 1974 and provided by any State or local agencies designated under section 239 of the Trade Act of 1974;

[(11) the State unit will provide the Secretary with a cost breakdown of all funds made available under this title used by such unit for administrative expenditures; and

[(12) the State will not transfer the responsibility for the rapid response assistance functions of the State unit under section 314(b) to another entity, but the State may contract with another entity to perform rapid response assistance services.

[(c) REVIEW AND APPROVAL OF STATE PLANS.—The Secretary shall review any plan submitted under subsection (a), and any comments thereon submitted by the State job training coordinating council pursuant to subsection (b)(9), and shall notify a State as to any deficiencies in such plan within 30 days after submission. Unless a State has been so notified, the Secretary shall approve the plan within 45 days after submission. The Secretary shall not finally disapprove the plan of any State except after notice and opportunity for a hearing.

[(d) MODIFICATIONS—Any plan submitted under subsection (a) may be modified to describe changes in or additions to the programs and activities set forth in the plan, except that no such modification shall be effective unless reviewed and approved in accordance with subsection (c).

[(e) COMPLAINT, INVESTIGATION, PENALTY.—(1) Whenever the Secretary receives a complaint or a report from an aggrieved party or a public official that a State is not complying with the provisions of the State plan required by this section, the Secretary shall investigate such report or complaint.

[(2)(A) Whenever the Secretary determines that there has been such a failure to comply and that other remedies under this Act are not available or are not adequate to achieve compliance, the Secretary may withhold an amount not to exceed 10 percent of the allotment of the State for the fiscal year in which the determination is made for each such violation.

[(B) No determination may be made under this paragraph until the State affected is afforded adequate notice and opportunity for a hearing.

[(f) SPECIAL RULE.—The provisions of sections 102(h) and 105(d), relating to cases in which a service delivery area is a State, shall apply to this title.

[SUBSTATE GRANTEES

[SEC. 312. (a) DESIGNATION OF SUBSTATE AREAS.—(1) The Governor of each State shall, after receiving any recommendations from the State job training coordinating council, designate substate areas for the State.

[(2) Each service delivery area within a State shall be included within a substate area and no service delivery area shall be divided among two or more substate areas.

[(3) In making designations of substate areas, the Governor shall consider—

[(A) the availability of services throughout the State;

[(B) the capability to coordinate the delivery of services with other human services and economic development programs; and

[(C) the geographic boundaries of labor market areas within the State.

[(4) Subject to paragraphs (2) and (3), the Governor—

[(A) shall designate as a substate area any single service delivery area that has a population of 200,000 or more;

[(B) shall designate as a substate area any two or more contiguous service delivery areas—

[(i) that in the aggregate have a population of 200,000 or more; and

[(ii) that request such designation; and

[(C) shall designate as a substate area any concentrated employment program grantee for a rural area described in section 101(a)(4)(A)(iii) of this Act.

[(5) The Governor may deny a request for designation under paragraph (4)(B) if the Governor determines that such designation would not be consistent with the effective delivery of services to eligible dislocated workers in various labor market areas (including urban and rural areas) within the State, or would not otherwise be appropriate to carry out the purposes of this title.

[(6) The designations made under this section may not be revised more than once each two years, in accordance with the requirements of this section.

[(b) DESIGNATION OF SUBSTATE GRANTEES.—A substate grantee shall be designated, on a biennial basis, for each substate area. Such substate grantee shall be designated in accordance with an agreement among the Governor, the local elected official or officials of such area, and the private industry council or councils of such area. Whenever a substate area is represented by more than one such official or council, the respective officials and councils shall each designate representatives, in accordance with procedures established by the Governor (after consultation with the State job training coordinating council), to negotiate such agreement. In the event agreement cannot be reached on the selection of a substate grantee, the Governor shall select the substate grantee.

[(c) ELIGIBILITY.—Entities eligible for designation as substate grantees include—

[(1) private industry councils in the substate area;

[(2) service delivery area grant recipients or administrative entities;

[(3) private nonprofit organizations;

[(4) units of general local government in the substate area, or agencies thereof;

[(5) local offices of State agencies; and

[(6) other public agencies, such as community colleges and area vocational schools.

[(d) FUNCTIONS OF SUBSTATE GRANTEES.—The substate grantee shall be responsible for providing, within such substate area, services described in section 314 (c), (d), and (e) pursuant to an agreement with the Governor and in accordance with the State plan under section 311 and the substate plan under section 313. The substate grantee may provide such services directly or through contract, grant, or agreement with service providers.

[(e) APPLICABILITY OF GENERAL ADMINISTRATIVE PROVISIONS TO SUBSTATE GRANTEES.—The requirements of parts C and D of title I of this Act that apply to an administrative entity or a recipient of financial assistance under this Act shall also apply to substate grantees under this title.

[SUBSTATE PLAN

[SEC. 313. (a) GENERAL RULE.—No amounts appropriated for any fiscal year may be provided to a substate grantee unless the Governor (after considering the recommendations of the State job training coordinating council) has approved a substate plan, or modification thereof, submitted by the substate grantee describing the manner in which activities will be conducted within the substate area. Prior to the submission to the Governor, the plan shall be submitted for review and comment to the other parties to the agreement described in section 312(b).

[(b) CONTENTS OF SUBSTATE PLAN.—The substate plan shall contain a statement of—

[(1) the means for delivering services described in section 314 to eligible dislocated workers;

[(2) the means to be used to identify, select, and verify the eligibility of program participants;

[(3) the means for implementing the requirements of section 314(f);

[(4) the means for involving labor organizations in the development and implementation of services;

[(5) the performance goals to be achieved consistent with the performance goals contained in the State plan pursuant to section 311(b)(8);

[(6) procedures, consistent with section 107, for selecting service providers which take into account past performance in job training or related activities, fiscal accountability, and ability to meet performance standards;

[(7) a description of the methods by which the substate grantee will respond expeditiously to worker dislocation where the rapid response assistance required by section 314(b) is inappropriate, including worker dislocation in sparsely populated areas, which methods may include (but are not limited to)—

[(A) development and delivery of widespread outreach mechanisms;

[(B) provision of financial evaluation and counseling (where appropriate) to assist in determining eligibility for services and the type of services needed;

[(C) initial assessment and referral for further basic adjustment and training services; and

[(D) establishment of regional centers for the purpose of providing such outreach, assessment, and early readjustment assistance;

[(8) a description of the methods by which the other parties to the agreement described in section 312(b) may be involved in activities of the substate grantee;

[(9) a description of training services to be provided, including—

[(A) procedures to assess participants' current education skill levels and occupational abilities;

[(B) procedures to assess participants' needs, including educational, training, employment, and social services;

[(C) methods for allocating resources to provide the services recommended by rapid response teams for eligible dislocated workers within the substate area; and

[(D) a description of services and activities to be provided in the substate area;

[(10) the means whereby coordination with other appropriate programs, services, and systems will be affected, particularly where such coordination is intended to provide access to the services of such other systems for program participants at no cost to the worker readjustment program; and

[(11) a detailed budget, as required by the State.

[(c) PLAN APPROVAL.—The Governor shall approve or disapprove the plan of a substate grantee in the manner required by section 105(b) (1), (2), and (3). If a substate grantee fails to submit a plan, or submits a plan that is not approved by the Governor in accordance with such section, the Governor may direct the expenditure of funds allocated to the substate area until such time as a plan is submitted and approved or a new substate grantee is designated under section 312.

[(d) BY-PASS AUTHORITY.—If a substate grantee fails to expend funds allocated to it in accordance with its plan, the Governor may, subject to appropriate notice and opportunity for comment in the manner required by section 105(b) (1), (2), and (3), direct the expenditure of funds in accordance with the substate plan until—

[(1) the substate grantee corrects the failure,

[(2) the substate grantee submits an acceptable modification to its plan pursuant to subsection (a), or

[(3) a new substate grantee is designated under section 312.

[USE OF FUNDS; SERVICES TO BE PROVIDED

[SEC. 314. (a) IN GENERAL.—Funds allotted under section 302 may be used—

[(1) to provide rapid response assistance in accordance with subsection (b);

[(2) to deliver, coordinate, and integrate basic readjustment services and support services in accordance with subsection (c);

[(3) to provide retraining services in accordance with subsection (d);

[(4) to provide needs-related payments in accordance with subsection (e); and

[(5) to provide for coordination with the unemployment compensation system in accordance with subsection (f).

[(b) RAPID RESPONSE ASSISTANCE.—(1) The dislocated worker unit required by section 311(b)(2) shall include specialists who may use funds available under this title—

[(A) to establish on-site contact with employer and employee representatives within a short period of time (preferably 48 hours or less) after becoming aware of a current or projected permanent closure or substantial layoff in order to—

[(i) provide information on and facilitate access to available public programs and services; and

[(ii) provide emergency assistance adapted to the particular closure or layoff;

[(B) to promote the formation of labor-management committees, by providing—

[(i) immediate assistance in the establishment of the labor-management committee, including providing immediate financial assistance to cover the start-up costs of the committee;

[(ii) a list of individuals from which the chairperson of the committee may be selected;

[(iii) technical advice as well as information on sources of assistance, and liaison with other public and private services and programs; and

[(iv) assistance in the selection of worker representatives in the event no union is present;

[(C) to collect information related to—

[(i) economic dislocation (including potential closings or layoffs); and

[(ii) all available resources within the State for displaced workers,

which information shall be made available on a regular basis to the Governor and the State job training coordinating council to assist in providing an adequate information base for effective program management, review, and evaluation;

[(D) to provide or obtain appropriate financial and technical advice and liaison with economic development agencies and other organizations to assist in efforts to avert worker dislocations;

[(E) to disseminate information throughout the State on the availability of services and activities carried out by the dislocated worker unit or office; and

[(F) to assist the local community in developing its own coordinated response and in obtaining access to State economic development assistance.

[(2) In a situation involving an impending permanent closure or substantial layoff, a State may provide funds, where other public or private resources are not expeditiously available, for a preliminary assessment of the advisability of conducting a comprehensive study exploring the feasibility of having a company or group, including the workers, purchase the plant and continue it in operation.

[(3) The Secretary shall oversee the administration by each State of the rapid response assistance services provided in such State and the effectiveness, efficiency, and timeliness of the delivery of such services. If the Secretary determines that such services are not being performed adequately, the Secretary shall implement appropriate corrective action, including, where necessary, the selection of a new rapid response assistance service provider.

[(4) For purposes of rapid response assistance provided by a State dislocated worker unit, the term "substantial layoff" means a layoff of 50 or more individuals.

[(c) Basic Readjustment Services.—Funds allotted under section 302 may be used to provide basic readjustment services to eligible dislocated workers. Subject to limitations set forth in subsection (e) and section 315(a), the services may include (but are not limited to)—

[(1) development of individual readjustment plans for participants in programs under this title;

[(2) outreach and intake;

[(3) early readjustment assistance;

[(4) job or career counseling;

[(5) testing;

[(6) orientation;

[(7) assessment, including evaluation of educational attainment and participant interests and aptitudes;

[(8) determination of occupational skills;

[(9) provision of future world-of-work and occupational information;

[(10) job placement assistance;

[(11) labor market information;

[(12) job clubs;

[(13) job search;

[(14) job development;

[(15) supportive services, including child care, commuting assistance, and financial and personal counseling which shall terminate not later than the 90th day after the participant has completed other services under this part, except that counseling necessary to assist participants to retain employment shall terminate not later than 6 months following the completion of training;

[(16) prelayoff assistance;

[(17) relocation assistance; and

[(18) programs conducted in cooperation with employers or labor organizations to provide early intervention in the event of closures of plants or facilities.

[(d) Retraining Services.—(1) Funds allotted under section 302 may be used to provide training services under this part to eligible dislocated workers. Such services may include (but are not limited to)—

[(A) classroom training;

[(B) occupational skill training;

[(C) on-the-job training;

[(D) out-of-area job search;

[(E) relocation;

[(F) basic and remedial education;

[(G) literacy and English for non-English speakers training;

[(H) entrepreneurial training; and

[(I) other appropriate training activities directly related to appropriate employment opportunities in the substate area.

[(2) No funds under this part may be expended to provide wages for public service employment.

[(e) Needs-Related Payments.—(1) Funds allocated to a substate grantee under section 302(d) may be used pursuant to a substate plan under section 313 to provide needs-related payments to an eligible dislocated worker who is unemployed and does not qualify or has ceased to qualify for unemployment compensation, in order to enable such worker to participate in training or education programs under this title. To be eligible for such payments, an eligible dislocated worker who has ceased to qualify for unemployment compensation must have been enrolled in training by the end of the 13th week of the worker's initial unemployment compensation benefit period, or, if later, the end of the 8th week after an employee is informed that a short-term layoff will in fact exceed 6 months.

[(2) The level of needs-related payments shall be made available at a level not greater than the higher of—

[(A) the applicable level of unemployment compensation; or

[(B) the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget.

[(f) Coordination With Unemployment Compensation.—(1) Funds allocated to a State under section 302 may be used for coordination of worker readjustment programs and the unemployment compensation system, consistent with the limitation on administrative expenses in section 315. Each State shall be responsible for coordinating the unemployment compensation system and worker readjustment programs within such State.

[(2) An eligible dislocated worker participating in training (except for on-the-job training) under this title shall be deemed to be in training with the approval of the State agency for purposes of section 3304(a)(8) of the Internal Revenue Code of 1986.

[(g) Joint Funding.—(1) Funds allotted under section 302 may be used to provide additional funds under an applicable program if—

[(A) such program otherwise meets the requirements of this Act and the requirements of the applicable program;

[(B) such program serves the same individuals that are served under this title;

[(C) such program provides services in a coordinated manner with services provided under this title; and

[(D) such funds would be used to supplement, and not supplant, funds provided from non-Federal sources.

[(2) For purposes of this subsection, the term "applicable program" means any program under any of the following provisions of law:

[(A) The Carl D. Perkins Vocational and Applied Technology Education Act.

[(B) The Wagner-Peyser Act.

[(h) Clarification of Definition of Eligible Dislocated Workers for Certain Services.—(1) The term "eligible dislocated workers" includes individuals who have not received specific notice of termination or lay off and work at a facility at which the employer has made a public announcement that such facility will close (except those individuals likely to remain employed with the same employer or likely to retire instead of seeking new employment)—

[(A) with respect to basic readjustment services provided under paragraphs (1) through (14), (16), and (18) of subsection (c); and

[(B) with respect to services provided under this section beginning 180 days before the date on which the facility is scheduled to close.

[(2) Services described in paragraph (1)(A) and provided to the individuals described in paragraph (1) shall, to the extent practicable, be funded under section 302(c)(1).

[LIMITATIONS ON USES OF FUNDS

[Sec. 315. (a) Retraining Services.—(1) Of the funds allocated to a substate grantee under part A of this title for any program year, not less than 50 percent shall be expended for retraining services specified under section 314(d).

[(2) A substate grantee may apply to the Governor for a waiver of the requirement in paragraph (1). Such waiver may not permit less than 30 percent of the funds to be spent for such retraining services. The wavier may be granted in whole or in part if the substate grantee demonstrates that the worker readjustment program in the area will be consistent with the principle that dislocated workers be prepared for occupations or industries with long-term potential. The Governor shall prescribe criteria for the demonstration required by the previous sentence.

[(3) An application for such a waiver shall be submitted at such time and in such form as the Governor may prescribe. The Governor shall provide an opportunity for public comment on the application.

[(b) Of the funds allocated to a substate grantee or to the Governor under part A of this title for any program year, not more than 25 percent may be expended to provide needs-related payments and other supportive services.

[(c) Administrative Cost Limitation.—Of the funds allocated to a substate grantee or to the Governor under part A of this title for any program year, not more than 15 percent may be expended to cover the administrative cost of programs. For purposes of this subsection, administrative cost does not include the cost of activities under section 314(b).

[(d) COMBINATION OF FUNDS.—Substate grantees within a State may combine funds under this title for the provision of services to eligible dislocated workers from 2 or more substate areas.

[(e) DEFINITION.—As used in this section, the term "allocated", means allocated for a program year, as adjusted for reallocations between substate areas, and for reallotments in accordance with section 303.

[RETRAINING SERVICES AVAILABILITY

[SEC. 316. (a) ALTERNATIVE METHODS OF PROVIDING RETRAINING SERVICES.—A substate grantee may provide retraining services described in section 314(d) to an eligible dislocated worker—

[(1) by beginning such services promptly upon the worker's application for the program under this title;

[(2) by deferring the beginning of such services and providing the worker with a certificate of continuing eligibility in accordance with subsection (b) (1) and (2); or

[(3) by permitting the worker to obtain such services from a service provider using such certificate in accordance with subsection (b)(3).

[(b) CERTIFICATION OF CONTINUING ELIGIBILITY.—(1) A substate grantee may issue to any eligible dislocated worker who has applied for the program authorized in this part a certificate of continuing eligibility. Such a certificate of continuing eligibility may be effective for periods not to exceed 104 weeks. No such certificate shall include any reference to any specific amount of funds. Any such certificate shall state that it is subject to the availability of funds at the time that any such training services are to be provided. Acceptance of such a certificate shall not be deemed to be enrollment in training.

[(2) Any individual to whom a certificate of continuing eligibility has been issued under paragraph (1) of this subsection shall remain eligible for the program authorized under this part for the period specified in the certificate, notwithstanding section 301(a), and may use the certificate in order to receive the retraining services, subject to the limitations contained in the certificate.

[(3) A substate grantee may provide training services through systems that permit eligible dislocated workers to use certificates of continuing eligibility to seek out and arrange their own retraining with service providers approved by that substate grantee. Retraining provided pursuant to the certificate shall be conducted under a grant, contract, or other arrangement between the substate grantee and the service provider.

[FUNCTIONS OF STATE JOB TRAINING COORDINATING COUNCIL

[SEC. 317. For purposes of this title, the State job training coordinating council shall—

[(1) provide advice to the Governor regarding the use of funds under this title, including advice on—

[(A) the designation of substate areas and substate grantees, and the procedures for the selection of representatives within such areas under section 312; and

[(B) the methods for allocation and reallocation of funds, including the method for distribution of funds reserved under section 302(c)(2) and funds subject to reallocation under section 303(d);

[(2) submit comments to the Governor and the Secretary on the basis of review of the State and substate programs under this title;

[(3) review, and submit written comments on, the State plan (and any modification thereof) before its submission under section 311;

[(4) review, and submit written comments on, each substate plan submitted to the Governor under section 313; and

[(5) provide advice to the Governor regarding performance standards.

[PART B—FEDERAL RESPONSIBILITIES

[FEDERAL ADMINISTRATION

[SEC. 321. (a) STANDARDS.—The Secretary shall promulgate standards for the conduct and evaluation of programs under this title.

[(b) BY-PASS AUTHORITY.—In the event that any State fails to submit a plan that is approved under section 311, the Secretary shall use the amount that would be allotted to that State to provide for the delivery in that State of the programs, activities, and services authorized by this title until the State plan is submitted and approved under that section.

[FEDERAL DELIVERY OF DISLOCATED WORKER SERVICES

[SEC. 322. (a) GENERAL AUTHORITY.—The Secretary shall, with respect to programs required by this title—

[(1) distribute funds to States in accordance with the requirements of section 302;

[(2) provide funds to exemplary and demonstration programs on plant closings and worker dislocation;

[(3) otherwise allocate discretionary funds to projects serving workers affected by multi-State or industry-wide dislocations and to areas of special need in a manner that efficiently targets resources to areas of most need, encourages a rapid response to economic dislocations, and promotes the effective use of funds;

[(4) monitor performance and expenditures and annually certify compliance with standards prescribed by the Secretary under section 106(c);

[(5) conduct research and serve as a national clearinghouse for gathering and disseminating information on plant closings and worker dislocation; and

[(6) provide technical assistance and staff training services to States, communities, businesses, and unions, as appropriate.

[(b) ADMINISTRATIVE PROVISIONS.—The Secretary shall designate or create an identifiable dislocated workers unit or office to coordinate the functions of the Secretary under this title.

[ALLOWABLE ACTIVITIES

[SEC. 323. (a) CIRCUMSTANCES AND ACTIVITIES FOR USE OF FUNDS.—Amounts reserved for this part under section 302(a)(2) may be used to provide services of the type described in section 314 in the following circumstances:

[(1) mass layoffs, including mass layoffs caused by natural disasters or Federal actions (such as relocations of Federal facilities) when the workers are not expected to return to their previous occupations;

[(2) industrywide projects;

[(3) multistate projects;

[(4) special projects carried out through agreements with Indian tribal entities;

[(5) special projects to address national or regional concerns;

[(6) demonstration projects, including the projects described in section 324;

[(7) to provide additional financial assistance to programs and activities provided by States and substate grantees under part A of this title; and

[(8) to provide additional assistance under proposals for financial assistance that are submitted to the Secretary and approved by the Secretary after consultation with the Governor of the State in which the project is to operate.

[(b) USE OF FUNDS IN EMERGENCIES.—Amounts reserved for this part under section 302(a)(2) may also be used to provide services of the type described in section 314 whenever the Secretary (with agreement of the Governor) determines that an emergency exists with respect to any particular distressed industry or any particularly distressed area to provide emergency financial assistance to dislocated workers. The Secretary may make arrangements for the immediate provision of such emergency financial assistance for the purposes of this section with any necessary supportive documentation to be submitted at a date agreed to by the Governor and the Secretary.

[(c) STAFF TRAINING AND TECHNICAL ASSISTANCE.—(1) Amounts reserved for this part under section 302(a)(2) may be used to provide staff training and technical assistance services to States, communities, businesses and labor organizations, and other entities involved in providing adjustment assistance to workers. Applications for technical assistance funds shall be submitted in accordance with procedures issued by the Secretary.

[(2) Not more than 5 percent of the funds reserved for this part in any fiscal year shall be used for the purpose of this subsection.

[(d) TRAINING OF RAPID RESPONSE STAFFS.—Amounts reserved for this part under section 302(a)(2) shall be used to provide training of staff, including specialists, providing rapid response services. Such training shall include instruction in proven methods of promoting, establishing, and assisting labor-management committees.

[DEMONSTRATION PROGRAMS

[SEC. 324. (a) AUTHORIZED PROGRAMS.—From the amount reserved for this part under section 302(a)(2) for the fiscal years 1992 through 1996, not less than 10 percent of such amount shall be used for demonstration programs. Such demonstration programs may be up to three years in length, and shall include (but need not be limited to) at least two of the following demonstration programs:

[(1) self-employment opportunity demonstration program;

[(2) public works employment demonstration program;

[(3) dislocated farmer demonstration program; and

[(4) job creation demonstration program.

[(b) EVALUATION AND REPORT.—The Secretary shall conduct or provide for an evaluation of the success of each demonstration program, and shall prepare and submit to the Congress a report of the evaluation not later than October 1, 1992, together with such recommendations, including recommendations for legislation, as the Secretary deems appropriate.

[DEFENSE CONVERSION ADJUSTMENT PROGRAM

[SEC. 325. (a) IN GENERAL.—From funds made available to carry out this section, the Secretary may make grants to States, substate grantees, employers, employer associations, and representatives of employees to provide training, adjustment assistance, and employment services to eligible employees adversely affected by reductions in expenditures by the United States for defense, by closures of United States military facilities, or by reductions in the export of defense articles and defense services as a result of United States policy, including reductions in the amount of defense articles and defense services under agreements to provide such articles or services or through termination or completion of any such agreements. For purposes of this section, an eligible employee is an eligible dislocated worker as defined in section 301(a) who has been terminated or laid off, or has received a notice of termination or lay off, as a consequence of reductions in expenditures by the United States for defense, by closures of United States military facilities, or by reductions in the export of defense articles and defense services as a result of United States policy, including reductions in the amount of defense articles and defense services under agreements to provide such articles or services or through termination or completion of any such agreements as determined in accordance with regulations of the Secretary.

[(b) APPLICATION.—In reviewing applications for grants under subsection (a), the Secretary shall give priority to applications from areas which have the greatest number of eligible employees.

[(c) USE OF FUNDS.—Grants under subsection (a) may be used for any purpose for which funds may be used under section 314 or this part.

[(d) DEMONSTRATION PROJECTS.—In carrying out the grant program established under subsection (a), the Secretary may make grants to entities referred to in that subsection for the purpose of developing demonstration projects to encourage and promote innovative responses to the dislocation resulting from reductions in expenditures by the United States for defense, by closures of United States military facilities, or by reductions in the export of defense articles and defense services as a result of United States policy, including reductions in the amount of defense articles and defense services under agreements to provide such articles or services or through termination or completion of any such agreements. Such demonstration projects may include—

[(1) projects to facilitate the placement of eligible employees in occupations experiencing skill shortages that will make use of the skills acquired by the eligible employees during their employment;

[(2) projects to assist in retraining and reorganization efforts designed to avert layoffs that would otherwise occur as a result of such reductions or closures; and

[(3) projects to assist communities in addressing and reducing the impact of such economic dislocation.

[(e) NOTICE OF TERMINATION FOR CERTAIN DEFENSE EMPLOYEES.—

[(1) IN GENERAL.—A civilian employee of the Department of Defense employed at a military installation being closed or realigned under the laws referred to in paragraph (2) shall be eligible for training, adjustment assistance, and employment services under subsection (a) beginning on the date on which such employee receives actual notice of termination, or the date determined by the Secretary of Defense under paragraph (3), whichever occurs earlier.

[(2) CERTAIN DEFENSE LAWS.—The laws referred to in this paragraph are—

[(A) the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note); and

[(B) title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).

[(3) DATE.—The date determined under this paragraph is the date that is 24 months before the date on which the military installation is to be closed or the realignment of the installation is to be completed, as the case may be.

[(f) DEFINITION.—For purposes of this section, the term "defense articles and defense services" means defense articles, defense services, or design and construction services under the Arms Export Control Act (22 U.S.C. 2751 et seq.), including defense articles and defense services licensed or approved for export under section 38 of that Act (22 U.S.C. 2778).

[SEC. 325A. DEFENSE DIVERSIFICATION PROGRAM.

[(a) IN GENERAL.—From funds made available to carry out this section, the Secretary, in consultation with the Secretary of Defense, may make grants to States, substate grantees, employers, representatives of employees, labor-management committees, and other employer-employee entities to provide for training, adjustment assistance, and employment services to eligible individuals described in subsection (b) and to develop plans for defense diversification or conversion assistance to affected facilities located within an area directly affected by reductions in expenditures by the United States for defense or by closures of United States military facilities.

[(b) INDIVIDUALS ELIGIBLE FOR TRAINING, ASSISTANCE, AND SERVICES.—

[(1) CERTAIN MEMBERS OF THE ARMED FORCES.—A member of the Armed Forces shall be eligible for training, adjustment assistance, and employment services under this section if the member—

[(A) was on active duty or full-time National Guard duty on September 30, 1990;

[(B) during the 5-year period beginning on that date—

[(i) is involuntarily separated (as defined in section 1141 of title 10, United States Code) from active duty or full-time National Guard duty; or

[(ii) is separated from active duty or full-time National Guard duty pursuant to a special separation benefits program under section 1174a of title 10, United States Code, or the voluntary separation incentive program under section 1175 of that title;

[(C) is not entitled to retired or retainer pay incident to that separation; and

[(D) applies for such training, adjustment assistance, or employment services before the end of the 180-day period beginning on the date of that separation.

[(2) CERTAIN DEFENSE EMPLOYEES.—

[(A) IN GENERAL.—Except as provided in subparagraph (B), a civilian employee of the Department of Defense or the Department of Energy shall be eligible for training, adjustment assistance, and employment services under this section if the employee—

[(i) during the 5-year period beginning on October 1, 1992, is terminated or laid off (or receives a notice of termination or lay off) from such employment as a result of reductions in defense spending, as determined by the Secretary of Defense or the Secretary of Energy, except that, in the case of a notice of termination or lay off, the eligibility of the employee shall not begin until 180 days before the projected date of the termination or lay off; and

[(ii) is not entitled to retired or retainer pay incident to that termination or lay off.

[(B) SPECIAL RULE FOR CIVILIAN EMPLOYEES OF THE DEPARTMENT OF DEFENSE EMPLOYED AT CERTAIN MILITARY INSTALLATIONS.—

[(i) IN GENERAL.—A civilian employee of the Department of Defense employed at a military installation being closed or realigned under the laws referred to in clause (ii) shall be eligible for training, adjustment assistance, and employment services under this section beginning on the date on which such employee receives actual notice of termination, or the date determined by the Secretary of Defense under clause (iii), whichever occurs earlier.

[(ii) CERTAIN DEFENSE LAWS.—The laws referred to in this clause are—

[(I) the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note);

[(II) title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note);

[(III) section 2687 of title 10, United States Code; and

[(IV) any other similar law enacted after the date of the enactment of the National Defense Authorization Act for Fiscal Year 1994.

[(iii) DATE.—The date determined under this clause is the date that is 24 months before the date on which the military installation is to be closed or the realignment of the installation is to be completed, as the case may be.

[(3) CERTAIN DEFENSE CONTRACTOR EMPLOYEES.—An employee of a private defense contractor shall be eligible for training, adjustment assistance, and employment services under this section if the employee—

[(A) during the 5-year period beginning on October 1, 1992, is terminated or laid off (or receives a notice of termination or lay off) from such employment as a result of reductions in defense spending, the closure or realignment of a military installation, or reductions in the export of defense articles and defense services as a result of United States policy, including reductions in the amount of defense articles and defense services under agreements to provide such articles or services or through termination or completion of any such agreements, as determined by the Secretary of Defense, except that, in the case of a notice of termination or lay off, the eligibility of the employee shall not begin until 180 days before the projected date of the termination or lay off; and

[(B) is not entitled to retired or retainer pay incident to that termination.

[(c) APPLICATION REQUIREMENTS.—

[(1) IN GENERAL.—To receive a grant under subsection (a), an applicant shall submit to the Secretary an application which contains such information as the Secretary may require and which meets the following requirements:

[(A) CONSULTATION.—

[(i) IN GENERAL.—(I) In the case of an applicant other than a State, such applicant shall submit an application to the Secretary developed in consultation with the State, and, where appropriate, in consultation with the labor-management committee or other employer-employee entity established pursuant to subparagraph (C)(ii) at the affected facility and in consultation with representatives from the Department of Defense.

[(II) Prior to the submission of an application under subclause (I) to the Secretary, the applicant shall submit the application to the State for review. The State shall have 30 calendar days to review the application. The applicant may submit the application to the Secretary after the date on which the State completes its review of the application or upon expiration of the 30 calendar days, whichever occurs first.

[(ii) STATES.—In the case of an applicant that is a State, such State shall submit an application to the Secretary developed in consultation with appropriate substate grantees, and, where appropriate, in consultation with the labor-management committee or other employer-employee entity established pursuant to subparagraph (C)(ii) at the affected facility and in consultation with representatives from the Department of Defense.

[(B) CONTENTS OF APPLICATION.—An application shall contain a local labor market analysis, a general assessment of basic skills, career interests, income needs, and strategies necessary for the training and placement of the population that may be served, and, where appropriate—

[(i) a preliminary outline of a program to convert the affected defense base or facility;

[(ii) preliminary plant or military base conversion proposals, and proposals for the effective use or conversion of surplus Federal property; and

[(iii) assurances that the applicant will coordinate the activities and services provided under this section with the Office of Economic Adjustment and other relevant agencies.

[(C) PROVISION OF STATE DISLOCATED WORKER SERVICES.—The applicant shall provide verification that the State dislocated worker unit has provided, or is in the process of providing, in addition to the services described in section 311(b)(3) and 314(b), the following activities and services:

[(i) The State dislocated worker unit, in conjunction with the substate grantee (and where appropriate, representatives from the Department of Defense), has established on-site contact with employers and employee representatives affected by a dislocation or potential dislocation of eligible individuals, preferably not later than 2 business days after notification of such dislocation.

[(ii) The State dislocated worker unit has promoted the formation of a labor-management committee or other employer-employee entity in the case of a facility affected by an employee dislocation or potential dislocation in accordance with section 314(b)(1)(B), including the provision of technical assistance and, where appropriate, financial assistance to cover the start-up costs of such committee.

[(iii) The State dislocated worker unit has provided, in conjunction with the labor-management committee or other employer-employee entity established pursuant to clause (ii), the following services:

[(I) An initial survey of potential eligible individuals to determine the approximate number of such individuals interested in receiving services under this section, orientation sessions, counseling services, and early intervention services for eligible individuals and management. Such services may be provided in coordination with representatives from the United States Employment Service, the Interstate Job Bank, the Department of Defense, and the National Occupational Information Coordinating Committee.

[(II) Initial basic readjustment services in conjunction with such services provided by substate grantees.

[(D) Skills upgrading.—The applicant shall provide assurances satisfactory to the Secretary that if the applicant uses amounts from a grant under subsection (a) for skills upgrading at defense facilities pursuant to subsection (f)(2), the applicant will maintain its expenditures from all other sources for skills upgrading at or above the average level of such expenditures in the fiscal year preceding the date of the enactment of this section.

[(2) Technical assistance.—The Secretary may provide technical assistance to an applicant for the purpose of assisting the applicant to meet the application requirements under paragraph (1).

[(3) Timely decision.—The Secretary shall make a determination with regard to an application received under paragraph (1) not later than 30 calendar days after the date on which the Secretary receives the application.

[(4) Timely notification.—The Secretary shall provide timely written notification to an applicant upon determination by the Secretary that the applicant has not satisfied the requirements under paragraph (1).

[(d) Selection Requirements.—

[(1) In general.—In reviewing applications for grants under subsection (a), the Secretary—

[(A) shall not approve an application for a grant unless the application contains assurances that the applicant will use amounts from a grant to provide needs-related payments in accordance with subsection (i);

[(B) shall select applications from areas most severely impacted by the reduction in defense expenditures and base closures, particularly areas with existing high poverty levels or existing high unemployment levels; and

[(C) shall select applications from areas which have the greatest number of eligible individuals, taking into account the ratio of eligible individuals in the affected community to the population of such community.

[(2) Priority.—In reviewing applications for grants under subsection (a), the Secretary shall give priority to each of the following:

[(A) Applications received from substate grantees.

[(B) Applications received from any applicant on behalf of affected employers in a similar defense-related industry or on behalf of a single employer with multiple bases or plants within a State.

[(C) Applications demonstrating employer-employee cooperation, including the participation of labor-management committees or other employer-employee entities.

[(e) RETENTION OF PORTION OF GRANT AMOUNT.—

[(1) PORTION RELATING TO GENERAL APPLICATION REQUIREMENTS.—Subject to paragraph (2), the Secretary shall retain 25 percent of the amount of a grant awarded under subsection (a) and shall disburse the amount to the applicant not later than 90 days after the date on which the Secretary determines that the applicant is satisfactorily implementing the plans and strategies described in subsection (c)(1)(B).

[(2) PORTION RELATING TO STATE DISLOCATED WORKER SERVICES.—The Secretary shall retain up to 20 percent of the amount retained under paragraph (1) (not to exceed $50,000) and shall disburse the amount to the State dislocated worker unit not later than 90 days after the date on which the Secretary determines that the applicant has provided verification that such unit has satisfactorily provided the activities and services described in subsection (c)(1)(C). The amount disbursed under the preceding sentence shall be used to reimburse such unit for expenses incurred in providing such activities and services.

[(f) USE OF FUNDS.—Subject to the requirements of subsections (g), (h), (i), and (j), grants under subsection (a) may be used only for the following purposes:

[(1) Any purpose for which funds may be used under section 314 or this section.

[(2) Skills upgrading, which may be provided to—

[(A) individuals who are employed in non-managerial positions, including individuals in such positions who have received notice of termination or lay off, if such upgrading—

[(i) is integral to the conversion of a defense facility and necessary to prevent a closure or mass layoff which would result in the termination or layoff of such individuals; and

[(ii) is to replace or update obsolete skills of such individuals with marketable skills; and

[(B) individuals who have received notice of termination or lay off from non-managerial positions, including individuals who have been terminated or laid off from such positions, if such upgrading is to replace or update obsolete skills of such individuals with marketable skills, without which reemployment in a high demand occupation or industry would be unlikely.

[(3) The development and introduction of high performance workplace systems, employee and participative management systems, and workforce participation in the evaluation, selection, and implementation of new production technologies.

[(g) LIMITATION.—Not more than 20 percent of amounts received from a grant under subsection (a) shall be used for administration, conversion planning activities, and the activities described in subsection (f)(3).

[(h) ADJUSTMENT ASSISTANCE REQUIREMENTS.—The adjustment assistance requirements described in section 326(e) shall apply for purposes of grants made under subsection (a) for adjustment assistance.

[(i) NEEDS-RELATED PAYMENTS REQUIREMENTS.—The Secretary shall prescribe regulations with respect to the use of funds from grants under subsection (a) for needs-related payments in accordance with the requirements described in section 326(f) in order to enable eligible individuals to complete training or education programs. Priority for needs-related payments shall be given to eligible individuals participating in certificate or degree awarding vocational training or education programs of 1 year or more.

[(j) DEPARTMENT OF DEFENSE FINANCIAL ASSISTANCE REQUIREMENT.—The Secretary of Defense, in consultation with the Secretary of Labor, shall prescribe regulations to ensure that student financial assistance authorized under programs for employees of the Department of Defense and veterans is provided prior to adjustment assistance under subsection (h), needs-related payments under subsection (i), and any other student financial assistance provided under Federal law.

[(k) DEMONSTRATION PROJECTS.—

[(1) IN GENERAL.—In carrying out the grant program established under subsection (a), the Secretary, in consultation with the Secretary of Defense, may make grants to the entities referred to in that subsection for the purpose of developing demonstration projects to encourage and promote innovative responses to the dislocation resulting from reductions in expenditures by the United States for defense, the closure of United States military installations, or reductions in the export of defense articles and defense services as a result of United States policy, including reductions in the amount of defense articles and defense services under agreements to provide such articles or services or through termination or completion of any such agreements. Such demonstration projects may include—

[(A) projects to assist in retraining efforts designed to address the needs of individuals who have received notice of termination or lay off and individuals who have been terminated or laid off in communities affected by such reductions or closures;

[(B) projects to assist in retraining and reorganization efforts designed to avert layoffs that would otherwise occur as a result of such reductions or closures;

[(C) projects to assist communities in addressing and reducing the impact of such economic dislocation;

[(D) projects involving teams of transition assistance specialists from Federal, State, and local agencies to provide onsite services, including assisting affected communities in short-term and long-term planning and assisting affected individuals through counseling and referrals to appropriate services, at the site of such reductions or closures within 60 days of the announcement of such reductions or closures;

[(E) projects to assist in establishing transition assistance centers at the installations where large dislocations occur to provide comprehensive services to individuals affected by such dislocations;

[(F) projects involving the joint efforts of Federal agencies, such as the Department of Labor, the Department of Defense, the Department of Commerce, and the Small Business Administration, to assist communities affected by such reductions or closures in developing integrated community planning processes to facilitate the retraining of affected individuals and the conversion of installations to commercial uses;

[(G) projects to develop new information and data systems to assist individuals and communities affected by such reductions or closures, including the development of data bases with the capability to provide an affected individual with a civilian economy skills profile which takes into account the skills acquired while working on defense-related matters; and

[(H) projects to assist small and medium-sized firms affected by such reductions or closures in the formation of learning consortia, which will promote joint efforts for staff training, human resource development, product development, and the marketing of products.

[(2) LIMITATION.—Not more than 10 percent of the funds available to the Secretary to carry out this section for any fiscal year may be used to carry out the projects established under paragraph (1).

[(l) STAFF TRAINING AND TECHNICAL ASSISTANCE.—In carrying out the grant program established under subsection (a), the Secretary may provide staff training and technical assistance services to States, communities, businesses, and labor organizations, and other entities involved in providing adjustment assistance to workers.

[(m) ADMINISTRATIVE EXPENSES.—Not more than 2 percent of the funds available to the Secretary to carry out this section for any fiscal year may be retained by the Secretary for the administration of activities authorized under this section.

[(n) COORDINATION WITH TECHNOLOGY REINVESTMENT PROJECTS.—The Secretary, in consultation with the Secretary of Defense, shall ensure that activities carried out under this section are coordinated with relevant activities carried out pursuant to title IV of the Department of Defense Appropriations Act, 1993 (Public Law 102–396; 106 Stat. 1890).

[(o) DEFINITIONS.—For purposes of this section, the following definitions apply:

[(1) LABOR-MANAGEMENT COMMITTEE.—The term "labor-management committee"—

[(A) has the meaning given such term in section 301(b)(1); and

[(B) includes a committee established at a military installation to assist members of the Armed Forces who are being separated and civilian employees of the Department of Defense and the Department of Energy who are being terminated.

[(2) Defense contractor.—The term "defense contractor" means a private person producing goods or services pursuant to—

[(A) one or more defense contracts which have a total amount not less than $500,000 entered into with the Department of Defense; or

[(B) one or more subcontracts entered into in connection with a defense contract and which have a total amount not less than $500,000.

[(3) Defense articles and defense services.—The term "defense articles and defense services" means defense articles, defense services, or design and construction services under the Arms Export Control Act (22 U.S.C. 2751 et seq.), including defense articles and defense services licensed or approved for export under section 38 of that Act (22 U.S.C. 2778).

[CLEAN AIR EMPLOYMENT TRANSITION ASSISTANCE

[Sec. 326. (a) Determination of Eligibility.—

[(1) Definitions.—For purposes of this section, the term "eligible individual" means an individual who—

[(A) is an eligible dislocated worker, as that term is defined in section 301(a), and

[(B) has been terminated or laid off, or has received a notice of termination or lay off, as a consequence of compliance with the Clean Air Act.

[(2) Determinations.—The determination of eligibility under paragraph (1)(B) of this subsection shall be made by the Secretary of Labor, pursuant to criteria established by the Secretary, in consultation with the Administrator of the Environmental Protection Agency.

[(b) Grants Authorized.—The Secretary may make grants to States, substate grantees (as defined in section 312(c)), employers, employer associations, and representatives of employees—

[(1) to provide training, adjustment assistance, and employment services to eligible individuals adversely affected by compliance with the Clean Air Act; and

[(2) to make needs-related payments to such individuals in accordance with subsection (f) of this section.

[(c) Priority and Approval.—

[(1) Priority.—In reviewing applications for grants under subsection (b), the Secretary shall give priority to applications proposing to provide training, adjustment assistance, and services in areas which have the greatest number of eligible individuals.

[(2) Needs-related payments required.—The Secretary shall not approve an application for a grant under subsection (b) unless the application contains assurances that the applicant will use grant funds to provide needs-related payments in accordance with subsection (f).

[(d) Use of Funds.—Subject to the requirements of subsections (e) and (f) of this section, grants under subsection (b) may be used for any purpose for which funds may be used under section 314.

[(e) Adjustment Assistance.—

[(1) Job search allowance.—

[(A) In general.—Grants under subsection (b) for adjustment assistance may be used to provide job search allowances to eligible individuals. Such allowance, if granted, shall provide reimbursement to the individual of not more than 90 percent of the cost of necessary job search expenses, as prescribed by regulations of the Secretary, but may not exceed $800 unless the need for a greater amount is justified in the application and approved by the Secretary.

[(B) Criteria for granting job search allowances.—A job search allowance may be granted only—

[(i) to assist an eligible individual who has been totally separated in securing a job within the United States; and

[(ii) where the Secretary determines that such employee cannot reasonably be expected to secure suitable employment in the commuting area in which the worker resides.

[(2) Relocation allowance.—

[(A) In general.—Grants under subsection (b) for adjustment assistance may be used to provide relocation allowances to eligible individuals. Such an allowance may only be granted to assist an eligible individual in relocating within the United States and only if the Secretary determines that—

[(i) such employee cannot reasonably be expected to secure suitable employment in the commuting area in which the employee resides; and

[(ii) such employee—

[(I) has obtained suitable employment affording a reasonable expectation of long-term duration in the area in which the employee wishes to relocate, or has obtained a bona fide offer of such employment, and

[(II) is totally separated from employment at the time relocation commences.

[(B) Amount of relocation allowance.—The amount of any relocation allowance for any eligible individual may not exceed the amount which is equal to the sum of—

[(i) 90 percent of the reasonable and necessary expenses, specified in regulations prescribed by the Secretary, incurred in transporting an individual and the individual's family, if any, and household effects, and

[(ii) a lump sum equivalent to 3 times the employee's average weekly wage, up to a maximum payment of $800, unless the need for a greater amount is justified in the application and approved by the Secretary.

[(f) Needs-Related Payments.—The Secretary shall prescribe regulations with respect to the use of funds from grants under subsection (b) for needs-related payments in order to enable eligible individuals to complete training or education programs under this section. Such regulations shall—

[(1) require that such payments shall be provided to an eligible individual only if such individual—

[(A) does not qualify or has ceased to qualify for unemployment compensation;

[(B) has been enrolled in training by the end of the 13th week of the individual's initial unemployment compensation benefit period, or, if later, the end of the 8th week after an individual is informed that a short-term layoff will in fact exceed 6 months; and

[(C) is participating in training or education programs under this section, except that such regulations shall protect an individual from being disqualified pursuant to this clause for a failure to participate that is not the fault of the individual;

[(2) provide that to qualify for such payments the individual currently receives, or is a member of a family which currently receives, a total family income (exclusive of unemployment compensation, child support payments, and welfare payments) which, in relation to family size, is not in excess of the lower living standard income level;

[(3) provide that the levels of such payments shall be equal to the higher of—

[(A) the applicable level of unemployment compensation; or

[(B) the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget;

[(4) provide for the adjustment of payments to reflect changes in total family income; and

[(5) provide that the grantee shall obtain information with respect to such income, and changes therein, from the eligible individual.

[(g) Administrative Expenses.—The Secretary of Labor may reserve not more than 5 percent of the funds appropriated under this section for the administration of activities authorized under this section, including the provision of technical assistance for the preparation of grant applications.

[(h) Authorization of Appropriations.—In addition to amounts authorized to be appropriated by section 3(b) of this Act, there are authorized to be appropriated $50,000,000 for fiscal year 1991, and such sums as may be necessary for each of fiscal years 1992, 1993, 1994, and 1995 to carry out this section. The total amount appropriated for all 5 such fiscal years shall not exceed $250,000,000. Amounts appropriated pursuant to this subsection shall remain available until expended.

[(i) Regulations.—The Secretary shall prescribe regulations to carry out this section not later than 180 days after the date of enactment of this section.

[(j) GAO Assessment of Effects of Clean Air Act Compliance of Employment.—The Comptroller General of the United States shall—

[(1) identify and assess, to the extent possible, the effects on employment that are attributable to compliance with the provisions of the Clean Air Act; and

[(2) submit to the Congress on the 4th anniversary of the date of the enactment of this subtitle a written report on the assessments required under paragraph (1).]

TITLE III—ADULT EMPLOYMENT AND TRAINING OPPORTUNITIES GRANTS

SEC. 301. PURPOSE.

The purpose of this title is to establish a high-quality, efficient system of employment, job training, and related assistance that—

(1) provides individuals with choice in the selection of employment and training options that will facilitate the transition of such individuals into productive, high skills, private sector jobs;

(2) provides quality training of such individuals for the 21st century; and

(3) drives resources and authority to States and local communities for the design of job training programs.

PART A—ADULT EMPLOYMENT AND TRAINING OPPORTUNITIES GRANTS

SEC. 311. AUTHORIZATION.

(a) IN GENERAL.—In the case of each State that in accordance with the requirements of sections 101 and 102 submits to the Secretary of Labor (hereinafter in this title referred to as the "Secretary") a State plan, the Secretary shall provide funds to the State for the purpose of providing employment, job training, and related assistance for adults and dislocated workers in the State, in accordance with this title.

(b) AMOUNT.—The funds described in subsection (a) shall consist of the allotments determined for the State under section 312.

SEC. 312. ALLOTMENT AMONG STATES.

(a) IN GENERAL.—Of the amount appropriated pursuant to section 3(a)(2) to carry out this title for a fiscal year, the Secretary—

(1) shall allot the total amount appropriated pursuant to section 3(a)(2)(A) in accordance with subsection (b)(1); and

(2)(A) shall allot 80 percent of the amount appropriated pursuant to section 3(a)(2)(B) in accordance with the subsection (b)(2); and

(B) shall reserve the remainder of the amount appropriated pursuant to section 3(a)(2)(B) for use under part B.

(b) ALLOTMENT AMONG STATES.—

(1) ADULT EMPLOYMENT AND TRAINING.—

(A) RESERVATION FOR OUTLYING AREAS.—

(i) IN GENERAL.—Of the amount allotted under subsection (a)(1), the Secretary shall allot not more than one quarter of one percent among the outlying areas.

(ii) APPLICABILITY OF ADDITIONAL REQUIREMENTS.—Of the amount allotted under clause (i), the Secretary shall award grants to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and

the freely associated states in accordance with the requirements of section 203(b)(1).

(B) STATES.—

(i) IN GENERAL.—After determining the amount to be allotted under subparagraph (A), the Secretary shall allot the remaining amount to the States pursuant to the formula contained in clause (ii).

(ii) FORMULA.—Subject to the provisions of clause (iii), of the amounts allotted to States for adult employment and training under this title for each fiscal year—

(I) 33⅓ percent shall be allotted on the basis of the relative number of unemployed individuals residing in areas of substantial unemployment within each State as compared to the total number of such unemployed individuals in all such areas of substantial unemployment in all States;

(II) 33⅓ percent shall be allotted on the basis of the relative excess number of unemployed individuals within each State as compared to the total excess number of unemployed individuals in all States; and

(III) 33⅓ percent shall be allotted on the basis of the relative number of economically disadvantaged adults within each State as compared to the total number of economically disadvantaged adults in all States.

(iii) MINIMUM ALLOTMENT.—

(I) MINIMUM PERCENTAGE.—No State shall be allotted less than 90 percent of its allotment percentage for the fiscal year preceding the fiscal year for which the determination is made.

(II) MAXIMUM PERCENTAGE.—No State shall be allotted more than 130 percent of its allotment percentage for the fiscal year preceding the fiscal year for which the determination is made.

(iv) SMALL STATE MINIMUM ALLOTMENT.—No State shall receive less than one-quarter of one percent of the amount available under this subparagraph for a fiscal year. Amounts necessary for increasing such payments to States to comply with the preceding sentence shall be obtained by ratably reducing the amounts to be paid to other States.

(2) DISLOCATED WORKERS.—

(A) RESERVATION FOR OUTLYING AREAS.—

(i) IN GENERAL.—Of the amount allotted under subsection (a)(2)(A), the Secretary shall allot not more than one quarter of one percent among the outlying areas.

(ii) APPLICABILITY OF ADDITIONAL REQUIREMENTS.—Of the amount allotted under clause (i), the Secretary shall award grants to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and

the freely associated states in accordance with the requirements of section 203(b)(1).

(B) STATES.—

(i) IN GENERAL.—After determining the amount to be allotted under subparagraph (A), the Secretary shall allot the remaining amount to the States pursuant to the formula contained in clause (ii).

(ii) FORMULA.—Subject to the provisions of clause (iii), of the amounts allotted to States for dislocated worker employment and training under this title for each fiscal year—

(I) 33⅓ percent shall be allotted among the States on the basis of the relative number of unemployed individuals who reside in each State as compared to the total number of unemployed individuals in all the States;

(II) 33⅓ percent shall be allotted among the States on the basis of the relative excess number of unemployed individuals who reside in each State as compared to the total excess number of unemployed individuals in all the States (for purposes of this subclause, the term 'excess number' means the number which represents unemployed individuals in excess of 4.5 percent of the civilian labor force in the State); and

(III) 33⅓ percent shall be allotted among the States on the basis of the relative number of individuals who have been unemployed for 15 weeks or more and who reside in each State as compared to the total number of such individuals in all the States.

(iii) MINIMUM ALLOTMENT.—

(I) MINIMUM PERCENTAGE.—No State shall be allotted less than 90 percent of its allotment percentage for the fiscal year preceding the fiscal year for which the determination is made.

(II) MAXIMUM PERCENTAGE.—No State shall be allotted more than 130 percent of its allotment percentage for the fiscal year preceding the fiscal year for which the determination is made.

(iv) SMALL STATE MINIMUM ALLOTMENT.—No State shall receive less than one-quarter of one percent of the amount available under this subparagraph for a fiscal year. Amounts necessary for increasing such payments to States to comply with the preceding sentence shall be obtained by ratably reducing the amounts to be paid to other States.

SEC. 313. ALLOCATION WITHIN STATES.

(a) RESERVATIONS FOR STATE ACTIVITIES.—

(1) ADULT EMPLOYMENT AND TRAINING.—

(A) IN GENERAL.—The Governor of the State shall reserve not more than 15 percent of the total amount allotted to the State under section 312(b)(1) for a fiscal year for statewide

activities for employment, job training, and related assistance for adults.

(B) ALLOWABLE ACTIVITIES.—Such activities may include—

(i) subject to subparagraph (C), administration by the State of programs under this title;

(ii) capacity building and technical assistance to local workforce development areas, full service employment and training delivery systems, and service providers including the development and training of staff and the development of exemplary program activities;

(iii) incentives for program coordination and integration, performance awards, and research and demonstrations;

(iv) implementation of innovative incumbent worker training programs, which may include the establishment and implementation of an employer loan program to assist in skills upgrading, and the establishment and implementation of programs targeted to empowerment zones;

(v) implementation of experimentation, model activities, pilot projects, and demonstration projects which further the goals and purposes of this Act;

(vi) additional assistance for the development and implementation of the full service employment and training delivery system established in accordance with section 123;

(vii) support for a common management information system across employment, training, literacy, and human resource programs as identified in section 103;

(viii) support for the identification of eligible training providers as required under section 124; and

(ix) implementation of innovative programs for displaced homemakers and programs to increase the number of individuals training and placed in nontraditional employment.

(C) LIMITATION.—Of the amount reserved by the Governor under subparagraph (A) not more than 5 percent of the total amount allotted to the State under section 312(b)(1) for a fiscal year may be used for administration by the State of programs under this part.

(2) DISLOCATED WORKERS EMPLOYMENT AND TRAINING.—

(A) IN GENERAL.—The Governor of the State shall reserve not more than 30 percent of the total amount allotted to the State under section 312(b)(2) for a fiscal year for statewide activities for employment, job training, and related assistance for dislocated workers.

(B) REQUIRED ACTIVITIES.—Such activities shall include—

(i) rapid response activities carried out by a designated State dislocated worker unit, working in conjunction with the local workforce development board and the chief elected official in an affected local workforce development area; and

(ii) additional assistance to areas that experience disasters, mass layoffs or plant closings, or other events that precipitate substantial increases in the number of unemployed workers, working in conjunction with the local workforce development board and the chief elected official in affected local workforce development areas.

(C) DISCRETIONARY ACTIVITIES.—Such activities may include those activities described in paragraph (1)(B).

(D) LIMITATION.—Of the amount reserved by the Governor under subparagraph (A) not more than 10 percent of the total amount allotted to the State under section 312(b)(2) for a fiscal year may be used for activities described in paragraph (1)(B) and of that amount not more than 5 percent of the total amount allotted to the State under section 312(b)(2) for a fiscal year may be used for administration by the State of programs under this part.

(b) WITHIN STATE ALLOCATION.—

(1) ALLOCATION.—

(A) IN GENERAL.—The Governor of the State shall allocate the remainder of the amounts allotted to the State under section 312 to workforce development areas designated under section 121 for the purpose of providing a single system of employment and training services for adults and dislocated workers in accordance with section 314.

(B) ADDITIONAL REQUIREMENTS.—(i) Funds allocated under paragraph (2)(B), shall be used by a local workforce development area to contribute proportionately to the costs of the local full service employment and training delivery system, and to pay for services provided to adults, in the local area, consistent with section 314.

(ii) Funds allocated under paragraph (2)(C), shall be used by a local workforce development area to contribute proportionately to the costs of the local full service employment and training delivery system, and to pay for services provided to dislocated workers, in the local area, consistent with section 314.

(2) METHODS.—

(A) IN GENERAL.—The Governor, through the collaborative process under section 102, and after consultation with local chief elected officials in the local workforce development areas, shall allocate the remainder of funds described in subsection (a)(1)(A) for adult employment and training in accordance with subparagraph (B), and the funds described in subsection (a)(2)(A) for dislocated workers in accordance with subparagraph (C).

(B) ADULT EMPLOYMENT AND TRAINING FORMULA.—In allocating the funds for adult employment and training, the individuals described in subparagraph (A) shall take into account—

(i) the relative number of unemployed individuals residing in local areas of substantial unemployment within each workforce development area in the State as compared to the total number of such unemployed indi-

viduals in all such areas of substantial unemployment in the State;

(ii) the relative excess number of unemployed individuals within each local workforce development area of the State as compared to the total excess number of unemployed individuals in the State;

(iii) the relative number of economically disadvantaged adults within each workforce development area of the State as compared to the total number of economically disadvantaged adults in the State; and

(iv) such other factors as determined appropriate by the State.

(C) DISLOCATED WORKER FORMULA.—In allocating funds for dislocated workers, individuals described in subparagraph (A) shall take into account—

(i) the relative number of unemployed individuals residing in local areas of substantial unemployment within each workforce development area in the State as compared to the total number of such unemployed individuals in all such areas of substantial unemployment in the State;

(ii) the relative excess number of unemployed individuals within each local workforce development area of the State as compared to the total excess number of unemployed individuals in the State;

(iii) the relative number of individuals who have been unemployed for 15 weeks or more within each workforce development area of the State as compared to the total number of such unemployed individuals in the State; and

(iv) such other factors as determined appropriate by the State, which may include—

(I) insured unemployment data;

(II) unemployment concentrations;

(III) plant closing and mass layoff data;

(IV) declining industries data;

(V) farmer-rancher economic hardship data; and

(VI) long-term unemployment data.

(3) ADDITIONAL FACTORS.—In establishing the formulas described in paragraph (2), the Governor shall ensure that—

(A) such formulas distribute funds equitably throughout the State;

(B) no one factor described in paragraph (2) receives disproportionate weighting; and

(C) such formulas protect local workforce development areas from significant funding shifts from year to year.

(4) TRANSFER AUTHORITY.—A local workforce development area is authorized to transfer up to 20 percent of the funds received under this subsection between adult employment and training and dislocated worker allocations if such transfer is approved by the Governor.

SEC. 314. USE OF AMOUNTS.

(a) CORE SERVICES.—Amounts allocated for adults under section 313(b)(2)(B) and for dislocated workers under section 313(b)(2)(C)

shall be used to provide core services described in section 123(d) to adults and dislocated workers, respectively, through a full service employment and training delivery system in accordance with such section.

(b) Intensive Services.—

(1) In general.—Amounts allocated for adults under section 313(b)(2)(B) and for dislocated workers under section 313(b)(2)(C) shall be used to provide intensive services to adults and dislocated workers, respectively—

(A)(i) who are unable to obtain employment through core services under subsection (a); and

(ii) who have been determined to be in need of more intensive services in order to gain employment; or

(B)(i) who are employed but are economically disadvantaged despite such employment; and

(ii) who are determined to be in need of such intensive services in order to gain employment that allows for self-sufficiency.

(2) Delivery of services.—Such intensive services shall be provided—

(A) directly through full service eligible providers identified pursuant to section 123(c); or

(B) through contracts through full service employment and training delivery systems with service providers approved by the local workforce development board, which may include private, for-profit providers.

(3) Types of services.—Such intensive services may include the following:

(A) Comprehensive and specialized assessments of the skill levels and service needs of adults, which may include—

(i) diagnostic testing and other assessment tools; and

(ii) in-depth interviewing and evaluation to identify employment barriers and appropriate employment goals.

(B) Development of an individual employment plan, to identify the employment goals, appropriate achievement objectives, and the appropriate combination of services for the participant to achieve the employment goal.

(C) Group counseling.

(D) Individual counseling and career planning.

(E) Case management for participants receiving training services under subsection (c).

(F) Follow-up services for participants placed in training or employment, for up to 1 year, to assist in retention or advancement in employment.

(c) Training Services.—

(1) In general.—Amounts allocated for adults under section 313(b)(2)(B) and for dislocated workers under section 313(b)(2)(C) shall be used to provide training services to adults and dislocated workers, respectively—

(A) who are unable to obtain employment through core services under subsection (a);

(B) who are in need of training services in order to gain employment as a result of determinations made through—

(i) initial assessments under subsection (a); or

(ii) comprehensive and specialized assessments under subsection (b)(3)(A); or

(C)(i) who are employed but are economically disadvantaged despite such employment; and

(ii) who are determined to be in need of such training services in order to gain employment that allows for self-sufficiency.

(2) PARTICIPANT QUALIFICATION.—

(A) REQUIREMENTS.—Except as provided in subparagraph (B), provision of such training services shall be limited to participants who—

(i) are unable to obtain other grant assistance for such services, including Federal Pell Grants established under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.); or

(ii) require assistance beyond the assistance made available under other grant assistance programs, including Federal Pell Grants.

(B) REIMBURSEMENTS.—Training services may be provided under this subsection to an individual who otherwise meets the requirements of this subsection while an application for a Federal Pell Grant or other grant assistance is pending, except that if such individual is subsequently awarded a Federal Pell Grant or other grant assistance, appropriate reimbursement shall be made to the local workforce development area from such Federal Pell Grant or other grant assistance.

(3) PROVIDER QUALIFICATION.—Such training services shall be provided through training providers identified under in accordance with section 124.

(4) TYPES OF SERVICES.—Such training services may include the following:

(A) Basic skills training, including remedial education, literacy training, and English literacy program instruction.

(B) Occupational skills training, including training for nontraditional employment.

(C) On-the-job training.

(D) Programs that combine workplace training with related instruction, which may include cooperative education programs.

(E) Training programs operated by the private sector.

(F) Skill upgrading and retraining.

(G) Entrepreneurial training.

(H) Employability training to enhance basic workplace competencies.

(I) Customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training.

(5) INDIVIDUAL CHOICE REQUIREMENTS.—

(A) IN GENERAL.—All training services under this section shall be provided through service delivery methods that, to

the extent practicable, maximize consumer choice in the selection of eligible providers of training services.

(B) INFORMATION ON ELIGIBLE PROVIDERS.—Each local workforce development board, through the full service employment and training delivery system, shall make available—

(i) the list of eligible providers of training services required under section 124, with a description of the training courses available from such providers and a list of the names of on-the-job training providers; and

(ii) the performance information described in section 124 relating to such providers.

(C) PURCHASE OF SERVICES.—An individual eligible for training services under this section may select an eligible provider of training services from the list of providers described in subparagraph (B)(i). Upon such selection, the full service eligible provider shall, to the extent practicable, refer such individual to the selected eligible provider of training services and arrange for payment for such services.

(6) ADDITIONAL REQUIREMENTS.—

(A) USE OF SKILL GRANTS.—

(i) IN GENERAL.—Except as provided in clause (ii) and clause (iii), training services under this section shall be provided through the use of skill grants in accordance with this subsection, and shall be distributed to eligible individuals through full service eligible providers or affiliated sites as described in section 123.

(ii) EXCEPTIONS.—Training services authorized under this title may be provided pursuant to a contract for services in lieu of a skill grant if the requirements of paragraph (5) are met and if—

(I) such services are on-the-job training provided by an employer;

(II) the local workforce development board determines there are an insufficient number of qualified providers of training services in the workforce development area to accomplish the purposes of a skill grant system;

(III) the local workforce development board determines that the qualified providers of training services in the workforce development area are unable to provide effective services to special participant populations; or

(IV) the local workforce development board decides to enter into a direct training contract with a community based organization.

(iii) TRANSITION.—Each State shall, not later than three years after the date of the enactment of the Employment, Training, and Literacy Enhancement Act of 1997, fully implement the requirements of clause (i). Nothing in this Act shall prohibit a State from beginning such implementation at an earlier date.

(B) LINKAGE TO OCCUPATIONS IN DEMAND.—Training services under this subsection shall be directly linked to oc-

cupations for which there is a demand in the local workforce development area, or in another area to which an adult receiving such services is willing to relocate, except that a local workforce development board may approve training in occupations determined by the local board to be in sectors of the economy which have a high potential for sustained demand or growth in the local workforce development area.

(d) Additional Uses of Amounts.—

(1) Supportive services.—Amounts allocated for adults under section 313(b)(2)(B) and for dislocated workers under section 313(b)(2)(C) may be used to provide supportive services for adults and dislocated workers, respectively—

(A) who are receiving assistance under any of subsections (a) through (c); and

(B) who are unable to receive such services through other programs providing such services.

(2) Needs-related payments.—

(A) In general.—Amounts allocated under section 313(b) may be used to provide needs-related payments to adults and dislocated workers who are unemployed and do not qualify for (or have ceased to qualify for) unemployment compensation for the purpose of enabling such individuals to participate in training programs under subsection (c).

(B) Additional eligibility requirements.—In addition to the requirements contained in subparagraph (A), a dislocated worker who has exhausted unemployment insurance benefits may be eligible to receive needs-related payments under this paragraph only if such worker was enrolled in training by the end of the 13th week of the worker's most recent layoff, or, if later, by the end of the 8th week after the worker is informed that a short-term layoff will in fact exceed 6 months.

(e) Priority.—From funds allocated to local workforce development areas for adult employment and training under section 313(b)(1)(B)(i), priority shall be given to welfare recipients and other economically disadvantaged individuals with multiple barriers to employment for receipt of intensive services and training services provided under subsections (b) and (c) of section 314, respectively.

PART B—NATIONAL PROGRAMS

SEC. 321. NATIONAL EMERGENCY GRANTS.

(a) In General.—From the amount reserved under section 312(a)(2), the Secretary of Labor is authorized to award national emergency grants in a timely manner—

(1) to an entity described in subsection (b) to provide employment and training assistance to workers affected by major economic dislocations, such as plant closures, mass layoffs, or closures and realignments of military installations; and

(2) to provide assistance to the Governor of any State within the boundaries of which is an area that has suffered an emergency or a major disaster as defined in paragraphs (1) and (2), respectively, of section 102 of The Robert T. Stafford Disaster

Relief and Emergency Assistance Act (42 U.S.C. 5122(1) and (2)) (referred to in this section as the "disaster area").

(b) EMPLOYMENT AND TRAINING ASSISTANCE REQUIREMENTS.—

(1) APPLICATION.—To be eligible to receive a grant under subsection (a)(1), an entity shall submit an application to the Secretary of Labor at such time, in such manner, and accompanied by such information, as the Secretary may reasonably require.

(2) ELIGIBLE ENTITY.—For purposes of this section, the term 'entity' means a State, local workforce development board, employer or employer association, worker-management transition assistance committee or other employer-employee entity, representative of employees, community development corporation or community-based organization, or an industry consortia.

(c) DISASTER RELIEF EMPLOYMENT ASSISTANCE REQUIREMENTS.—

(1) IN GENERAL.—Funds made available under subsection (a)(2)—

(A) shall be used exclusively to provide employment on projects that provide food, clothing, shelter, and other humanitarian assistance for disaster victims, and projects regarding demolition, cleaning, repair, renovation, and reconstruction of damaged and destroyed structures, facilities, and lands located within the disaster area; and

(B) may be expended through public and private agencies and organizations engaged in such projects.

(2) ELIGIBILITY.—An individual shall be eligible to be offered disaster relief employment under this section if such individual is a dislocated worker or is temporarily or permanently laid off as a consequence of the disaster.

(3) LIMITATIONS ON DISASTER RELIEF EMPLOYMENT.—No individual shall be employed under this part for more than 6 months for work related to recovery from a single natural disaster.

SEC. 322. SKILL UPGRADING PROJECTS IN ENTERPRISE ZONES OR EMPOWERMENT COMMUNITIES.

From funds made available under section 312(a)(2), the Secretary of Labor is authorized to award grants to assist projects that provide training to upgrade the skill of employed workers who reside and are employed in enterprise zones or empowerment communities.

TITLE IV—FEDERALLY ADMINISTERED PROGRAMS

[PART A—EMPLOYMENT AND TRAINING PROGRAMS FOR NATIVE AMERICANS AND MIGRANT AND SEASONAL FARMWORKERS

[NATIVE AMERICAN PROGRAMS

[SEC. 401. (a) The Congress finds that (1) serious unemployment and economic disadvantages exist among members of Indian, Alaskan Native, and Hawaiian Native communities; (2) there is a compelling need for the establishment of comprehensive training and employment programs for members of those communities; and (3) such programs are essential to the reduction of economic disadvantages among individual members of those communities and to the advancement of economic and social development in the communities consistent with their goals and lifestyles.

[(b) The Congress therefore declares that, because of the special relationship between the Federal Government and most of the individuals to be served by the provisions of this section, (1) such programs shall be administered at the national level; (2) such programs shall be available to federally recognized Indian tribes, bands, and groups and to other groups and individuals of Native American descent; and (3) such programs shall be administered in such a manner as to maximize the Federal commitment to support growth and development as determined by representatives of the communities and groups served by this section.

[(c)(1)(A) In carrying out responsibilities under this section, the Secretary shall, wherever possible, utilize Indian tribes, bands, or groups on Federal or State reservations, Oklahoma Indians, and including for the purpose of this Act, Alaska Native villages or groups as defined in the Alaska Native Claims Settlement Act, having a governing body for the provision of employment and training services under this section. When the Secretary determines that such tribe, band, or group has demonstrated the capability to effectively administer a comprehensive employment and training program, the Secretary shall require such tribe, band, or group to submit a comprehensive plan meeting such requirements as the Secretary prescribes.

[(B) The Secretary shall arrange for programs to meet the employment and training needs of Hawaiian natives through such organizations as the Secretary determines will best meet their needs.

[(2) In carrying out responsibilities under this section, the Secretary shall make arrangements with organizations (meeting requirements prescribed by the Secretary) serving nonreservation Native Americans for programs and projects designed to meet the needs of such Native Americans for employment and training and related services.

[(d) Whenever the Secretary determines not to utilize Indian tribes, bands, or groups for the provision of employment and training services under this section, the Secretary shall, to the maximum extent feasible, enter into arrangements for the provision of such services with organizations which meet with the approval of the tribes, bands, or groups to be served.

[(e) The Secretary is directed to take appropriate action to establish administrative procedures and machinery (including personnel having particular competence in this field) for the selection, administration, monitoring, and evaluation of Native American employment and training programs authorized under this Act.

[(f) Funds available for this section shall be expended for programs and activities consistent with the purposes of this section including but not limited to such programs and activities carried out by recipients under other provisions of this Act.

[(g) No provision of this section shall abrogate in any way the trust responsibilities of the Federal Government to Native American bands, tribes, or groups.

[(h)(1) The Secretary shall, after consultation with representatives of Indians and other Native Americans, prescribe such rules, regulations, and performance standards pursuant to section 106 relating to Native American programs under this section as may be required to meet the special circumstances under which such programs operate.

[(2) Recipients of funds under this section shall establish performance goals, which shall, to the extent required by the Secretary, comply with performance standards established by the Secretary pursuant to section 106.

[(i) The Secretary shall provide technical assistance as necessary to tribes, bands, and groups eligible for assistance under this section.

[(j)(1) The Secretary shall designate a single organizational unit that shall have as its primary responsibility the administration of all Native American programs authorized under this Act.

[(2) Such organizational unit shall—

[(A) be responsible for administering the provisions of the Native American programs authorized under this Act, including monitoring such programs and making recommendations regarding the selection of the recipients of financial assistance;

[(B) be responsible for the development of the policies and procedures related to the implementation of such programs; and

[(C) coordinate the development of policy and procedures for the employment and training programs within the Department relating to services for Native American workers.

[(3) In the hiring and promotion of the professional staff for the organizational unit designated under paragraph (1), special consideration shall be given to individuals who have field experience in the daily operation of service and training programs for Native Americans, and individuals who are Indians or Alaskan Natives. The Secretary shall take such additional actions as may be necessary to promote the recruitment and promotion of Indians, Alaskan Natives, and Hawaiian Natives to positions in such unit.

[(k)(1) There is hereby established a Native American Employment and Training Council (referred to in this subsection as the "Council"), which shall consist of not fewer than 17 Indians, Alaskan Natives, and Hawaiian Natives appointed by the Secretary from among individuals nominated by Indian tribes or Indian, Alaskan Native, or Hawaiian Native organizations. The membership of the Council shall represent all geographic areas of the United States with a substantial Indian, Alaskan Native, or Hawaiian Native population and shall include representatives of tribal governments and of nonreservation Native American organizations who are service providers under this Act. A majority of the members of the Council shall have field experience in the daily operation of the program authorized under this section.

[(2) The Council shall select a chairperson from among its members by a majority vote. The Council shall meet not less often than twice each program year.

[(3) Members of the Native American Programs Advisory Committee that existed before the date of enactment of this subsection—

[(A) shall serve as members of the Council until their successors are appointed; and

[(B) may be appointed as members of the Council, if such appointment is consistent with the provisions of this subsection.

[(4) Each member of the Council shall serve for a term of 2 years, except that—

[(A) one-half of the members initially appointed (as designated by the Secretary) shall serve for terms of 1 year;

[(B) any vacancy occurring in the membership of the Council shall be filled in the same manner as the original appointment, and shall not affect the power of the remaining members to execute the duties of the Council;

[(C) any member appointed to such a vacancy shall serve for the remainder of the term for which the predecessor of the member was appointed; and

[(D) members may be reappointed.

[(5) The initial membership of the Council shall be appointed not later than the beginning of program year 1993.

[(6) The Council shall—

[(A) solicit the views of a wide variety of Indian tribes and Native American groups, including groups operating employment and training programs funded under this section, on issues affecting the operation and administration of such programs;

[(B) advise the Secretary with respect to the implementation of programs under this section and other programs providing services to Native American youth and adults under this Act;

[(C) advise and make recommendations to the Secretary with respect to the design and implementation of performance standards developed under section 106(f);

[(D) advise and make recommendations to the Secretary with respect to the services obtained or to be obtained by the Department of Labor through contracts or arrangements with non-Federal agencies or entities that involve the program authorized by this section;

[(E) evaluate the effectiveness of Native American job training programs and make recommendations with respect to the improvement of such programs;

[(F) advise the Secretary with respect to individuals to be considered to fill the position of the official in charge of the organizational unit designated under subsection (j)(1) whenever a vacancy in such position occurs; and

[(G) prepare and submit directly to the Secretary and to the Congress, not later than January 1 of each even numbered year, a report containing information on the progress of Native American job training programs and recommendations for improving their administration and effectiveness.

[(7) Members of the Council shall serve without compensation. Each member of the Council shall receive travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, for each day the member is engaged in the performance of duties away from the home or regular place of business of the member.

[(8) The Secretary shall provide the Council with such administrative support as may be necessary to perform its functions.

[(l) The competition for grants under this section shall be conducted every 2 years, except that if a recipient of such a grant has performed satisfactorily under the terms of the existing grant agreement, the Secretary may waive the requirement for such competition on receipt from the recipient of a satisfactory 2-year program plan for the succeeding 2-year grant period.

[MIGRANT AND SEASONAL FARMWORKER PROGRAMS

[SEC. 402. (a) The Congress finds and declares that—

[(1) chronic seasonal unemployment and underemployment in the agricultural industry, aggravated by continual advancements in technology and mechanization resulting in displacement, constitute a substantial portion of the Nation's rural employment problem and substantially affect the entire national economy; and

[(2) because of the special nature of farmworker employment and training problems, such programs shall be centrally administered at the national level.

[(b) The Secretary is directed to take appropriate action to establish administrative procedures and machinery (including personnel having particular competence in this field) for the selection, administration, monitoring, and evaluation of migrant and seasonal employment and training programs authorized under this Act.

[(c)(1) The Secretary shall provide services to meet the employment and training needs of migrant and seasonal farmworkers through such public agencies and private nonprofit organizations as the Secretary determines to have an understanding of the problems of migrant and seasonal farmworkers, a familiarity with the area to be served, and a previously demonstrated capability to administer effectively a diversified employability development program for migrant and seasonal farmworkers. In awarding any grant or contract for services under this section, the Secretary shall use procedures consistent with standard competitive Government procurement policies.

[(c)(2) The competition for grants under this section shall be conducted every 2 years, except that if a recipient of such a grant has performed satisfactorily under the terms of the existing grant agreement, the Secretary may waive the requirement for such competition upon receipt from the recipient of a satisfactory 2-year program plan for the succeeding 2-year grant period.

[(3) Programs and activities supported under this section, including those carried out under other provisions of this Act, shall enable farmworkers and their dependents to obtain or retain employment, to participate in other program activities leading to their eventual placement in unsubsidized agricultural or nonagricultural employment, and to participate in activities leading to stabilization in agricultural employment, and shall include related assistance and supportive services.

[(4) Recipients of funds under this section shall establish performance goals, which shall, to the extent required by the Secretary, comply with performance standards established by the Secretary pursuant to section 106.

[(5) No programs and activities supported under this section shall preclude assistance to farmworkers under any other provision of this Act.

[(d) In administering programs under this section, the Secretary shall consult with appropriate State and local officials.

[(e) The Secretary is directed to take appropriate action to establish administrative procedures and machinery (including personnel having particular competence in this field) for the selection, administration, monitoring, and evaluation of migrant and seasonal farmworker's employment and training programs authorized under this Act.]

PART A—EMPLOYMENT AND TRAINING PROGRAMS FOR NATIVE AMERICANS AND MIGRANT AND SEASONAL FARMWORKERS

SEC. 401. NATIVE AMERICAN PROGRAMS.

(a) PURPOSE.—

(1) IN GENERAL.—The purpose of this section is to support employment and training activities for Indian, Alaska Native, and Native Hawaiian individuals in order—

(A) to develop more fully the academic, occupational, and literacy skills of such individuals;

(B) to make such individuals more competitive in the workforce; and

(C) to promote the economic and social development of Indian, Alaska Native, and Native Hawaiian communities in accordance with the goals and values of such communities.

(2) INDIAN POLICY.—All programs assisted under this section shall be administered in a manner consistent with the principles of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) and the government-to-government relationship between the Federal Government and Indian tribal governments.

(b) DEFINITIONS.—As used in this section:

(1) ALASKA NATIVE.—The term "Alaska Native" means a Native as such term is defined in section 3(b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(b)).

(2) INDIAN, INDIAN TRIBE, AND TRIBAL ORGANIZATION.—The terms "Indian", "Indian tribe", and "tribal organization" have the meanings given such terms in subsections (d), (e), and (l), respectively, of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(3) NATIVE HAWAIIAN AND NATIVE HAWAIIAN ORGANIZATION.—The terms "Native Hawaiian" and "Native Hawaiian organization" have the meanings given such terms in paragraphs (1) and (3), respectively, of section 9212 of the Native Hawaiian Education Act (20 U.S.C. 7912).

(c) PROGRAM AUTHORIZED.—The Secretary of Labor shall make grants to, or enter into contracts or cooperative agreements with, Indian tribes, tribal organizations, Alaska Native entities, Indian-controlled organizations serving Indians, or Native Hawaiian organiza-

tions to carry out the authorized activities described in subsection (d).

(d) Authorized Activities.—

(1) In general.—Funds made available under this section shall be used to carry out the activities described in paragraphs (2) and (3) that—

(A) are consistent with this section; and

(B) are necessary to meet the needs of Indians or Native Hawaiians preparing to enter, renter, or retain unsubsidized employment.

(2) Employment and training activities and supplemental services.—

(A) In general.—Funds made available under this section shall be used for—

(i) comprehensive workforce and career development activities for Indians or Native Hawaiians; or

(ii) supplemental services for Indian or Native Hawaiian youth on or near Indian reservations and in Oklahoma, Alaska, or Hawaii.

(B) Special rule.—Notwithstanding any other provision of this section, individuals who were eligible to participate in programs under section 401 of the Job Training Partnership Act (29 U.S.C. 1671) (as such section was in effect on the day before the date of enactment of this Act) shall be eligible to participate in an activity assisted under subparagraph (A)(i).

(e) Program Plan.—In order to receive a grant or enter into a contract or cooperative agreement under this section an entity described in subsection (c) shall submit to the Secretary of Labor a plan that describes a 2-year strategy for meeting the needs of Indian or Native Hawaiian individuals, as appropriate, in the area served by such entity. Such plan—

(1) shall be consistent with the purposes of this section;

(2) shall identify the population to be served;

(3) shall identify the education and employment needs of the population to be served and the manner in which the services to be provided will strengthen the ability of the individuals served to obtain or retain unsubsidized employment;

(4) shall describe the services to be provided and the manner in which such services are to be integrated with other appropriate services; and

(5) shall describe the goals and benchmarks to be used to assess the performance of entities in carrying out the activities assisted under this section.

(f) Consolidation of Funds.—Each entity receiving assistance under this section may consolidate such assistance with assistance received from related programs in accordance with the provisions of the Indian Employment, Training and Related Services Demonstration Act of 1992 (25 U.S.C 3401 et seq.).

(g) Nonduplicative and Nonexclusive Services.—Nothing in this section shall be construed—

(1) to limit the eligibility of any entity described in subsection (c) to participate in any activity offered by a State or local entity under this Act; or

(2) to preclude or discourage any agreement, between any entity described in subsection (c) and any State or local entity, to facilitate the provision of services by such entity or to the population served by such entity.

(h) Administrative Provisions.—

(1) Organizational unit established.—The Secretary of Labor shall designate a single organizational unit that shall have as its primary responsibility the administration of the activities authorized under this section.

(2) Regulations.—The Secretary of Labor shall consult with the entities described in subsection (c)(1) in establishing regulations to carry out this section, including performance measures for entities receiving assistance under such subsection, taking into account the economic circumstances of such groups, and in developing a funding distribution plan that takes into consideration previous levels of funding.

(3) Technical assistance.—The Secretary of Labor, through the unit established under paragraph (1), are authorized to provide technical assistance to entities described in subsection (c) that receive assistance under this section to enable such entities to improve the workforce and career development activities provided by such entities.

SEC. 402. MIGRANT AND SEASONAL FARMWORKER PROGRAM.

(a) In General.—The Secretary of Labor shall make grants to, or enter into contracts with, eligible entities to carry out the activities described in subsection (d).

(b) Eligible Entities.—To be eligible to receive a grant or enter into a contract under this section, an entity shall have an understanding of the problems of migrant farmworkers and seasonal farmworkers, a familiarity with the area to be served, and the ability to demonstrate a capacity to administer effectively a diversified program of workforce and career development activities for migrant farmworkers and seasonal farmworkers.

(c) Program Plan.—

(1) In general.—To be eligible to receive a grant or enter into a contract under this section, an entity described in subsection (b) shall submit to the Secretary of Labor a plan that describes a 2-year strategy for meeting the needs of migrant farmworkers and seasonal farmworkers and their dependents in the area to be served by such entity.

(2) Contents.—Such plan shall—

(A) identify the education and employment needs of the population to be served and the manner in which the services to be provided will strengthen the ability of the eligible farmworkers and dependents to obtain or be retained in unsubsidized employment or stabilize their unsubsidized employment;

(B) describe the related assistance and supportive services to be provided and the manner in which such services are to be integrated and coordinated with other appropriate services; and

(C) describe the goals and benchmarks to be used to assess the performance of such entity in carrying out the activities assisted under this section.

(d) Authorized Activities.—Funds made available under this section shall be used to carry out comprehensive workforce and career development activities and related services for migrant farmworkers and seasonal farmworkers which may include employment, training, educational assistance, literacy assistance, an English literacy program, worker safety training, housing, supportive services, and the continuation of the case management database on participating migrant farmworkers and seasonal farmworkers.

(e) Consultation with Governors and Local Boards.—In making grants and entering into contracts under this section, the Secretary of Labor shall consult with the Governors and local boards of the States in which the eligible entities will carry out the activities described in subsection (d).

(f) Regulations.—The Secretaries shall consult with migrant and seasonal farmworker groups and States in establishing regulations to carry out this section, including performance measures for eligible entities which take into account the economic circumstances of migrant farmworkers and seasonal farmworkers.

(g) Definitions.—As used in this section:

(1) Migrant farmworker.—The term "migrant farmworker" means a seasonal farmworker whose farm work requires travel such that the worker is unable to return to a permanent place of residence within the same day.

(2) Seasonal farmworker.—The term "seasonal farmworker" means a person who during the eligibility determination period (12 consecutive months out of 24 months prior to application)—

(A) has been primarily employed in farm work that is characterized by chronic unemployment or under employment; and

(B) is economically disadvantaged at the time of application.

GRANT PROCEDURES

Sec. 403. Grants under sections 401 and 402 shall be subject to the Single Audit Act of 1984 (31 U.S.C. 7501 et seq.) and charging of costs under such sections shall be subject to appropriate circulars issued by the Office of Management and Budget.

[Part B—Job Corps**]**

PART B—JOB CORPS

STATEMENT OF PURPOSE

Sec. 421. This part maintains a Job Corps for economically disadvantaged young men and women which shall operate exclusively as a distinct national program *carried out in collaboration with States and localities*, sets forth standards and procedures for selecting individuals as enrollees in the Job Corps, authorizes the establishment of residential and nonresidential centers in which enrollees will participate in intensive programs of education, vocational training, work experience, counseling and other activities, and prescribes various other powers, duties, and responsibilities incident to the operation and continuing development of the Job Corps. The purpose of this part is to assist young individuals who need and can benefit from an unusually intensive program, operated in a group setting, to become more responsible, employable, and productive citizens; and to do so in a way that contributes, where feasible, to the development of national, State, and community resources, and to the development and dissemination of techniques for working with the disadvantaged that can be widely utilized by public and private institutions and agencies.

ESTABLISHMENT OF THE JOB CORPS

SEC. 422. There shall be within the Department of Labor a "Job Corps".

INDIVIDUALS ELIGIBLE FOR THE JOB CORPS

SEC. 423. To become an enrollee in the Job Corps, a young man or woman must be an eligible youth who—

(1) has attained age **[**14**]** *16* but not attained age 22 at the time of enrollment, except that not more than 20 percent of the individuals enrolled may be age 22 through 24, and that either such maximum age limitation may be waived, in accordance with regulations of the Secretary, in the case of any individual with a disability;

(2) is economically disadvantaged or is a member of a family which is economically disadvantaged**[**, and who requires additional education, training, or intensive counseling and related assistance in order to secure and hold meaningful employment, participate successfully in regular school work, qualify for other suitable training programs, or satisfy Armed Forces requirements;**]***;*

(3) is an individual who—

(A) is deficient in basic skills;

(B) is a school dropout;

(C) is homeless or a runaway;

(D) is a single parent; or

(E) requires additional education, training, or intensive counseling and related assistance in order to secure and hold meaningful employment, participate successfully in regular school work, qualify for other suitable training programs, or satisfy Armed Forces requirements;

[(3)**]** *(4)* is currently living in an environment so characterized by cultural deprivation, a disruptive homelife, or other disorienting conditions as to substantially impair prospects for successful participation in other programs providing needed training, education, or assistance;

[(4)**]** *(5)* is determined, after careful screening as provided for in sections 424 and 425 to have the present capabilities and aspirations needed to complete and secure the full benefit of the Job Corps and to be free of medical and behavioral problems so serious that the individual could not adjust to the standards of conduct, discipline, work, and training which the Job Corps involves; and

[(5)] *(6)* meets such other standards for enrollment as the Secretary may prescribe and agrees to comply with all applicable Job Corps rules and regulations.

SCREENING AND SELECTION OF APPLICANTS: GENERAL PROVISIONS

SEC. 424. (a) The Secretary shall prescribe specific standards and procedures for the screening and selection of applicants for the Job Corps *after considering input from State, local, and community groups and other interested parties*. To the extent practicable, these rules shall be implemented through arrangements with agencies and organizations such as community action agencies, public employment offices, *full service eligible providers,* entities administering programs under title II of this Act, professional groups, labor organizations, [and agencies] *and entities* and individuals having contact with youth over substantial periods of time and able to offer reliable information as to their needs and problems. The rules shall *require Job Corps applicants to pass background checks, conducted in accordance with procedures established by the Secretary, and* provide for necessary consultation with other individuals and organizations, including court, probation, parole, law enforcement, education, welfare, and medical authorities and advisers. The rules shall also provide for the interviewing of each applicant for the purpose of—

(1) * * *

* * * * * * *

JOB CORPS CENTERS

SEC. 427. (a)(1) The Secretary may make agreements with Federal, State, or local agencies, including a State board or agency designated pursuant to section 111(a)(1) of the Carl D. Perkins Vocational Education Act which operates or wishes to develop area vocational education school facilities or residential vocational schools (or both) as authorized by such Act, or private organizations for the establishment and operation of Job Corps centers. Job Corps centers may, subject to paragraph (2), be residential or nonresidential in character, or both, and shall be designed and operated so as to provide enrollees, in a well-supervised setting, with education, vocational training, work experience (either in direct program activities or through arrangements with employers), counseling, and other services appropriate to their needs. The centers shall include Civilian Conservation Centers, located primarily in rural areas, which shall provide, in addition to other training and assistance, programs of work experience to conserve, develop, or manage public natural resources or public recreational areas or to develop community projects in the public interest. The centers shall also include training centers located in either urban or rural areas which shall provide activities including training and other services for specific types of skilled or semiskilled employment. *In selecting any entity to serve as an operator or to provide services for a Job Corps center, the Secretary shall take into consideration the previous performance of the entity, if any, relating to operating or providing services for a Job Corps center.*

(2) In any year, not more than 20 percent of the individuals enrolled in the Job Corps may be nonresidential participants. In enrolling individuals who are to be nonresidential participants, priority shall be given to those eligible individuals who are single parents with dependent children. The Secretary shall not reduce the number of residential participants in Job Corps programs under this part during any program year below the number of residential participants during program year 1991 in order to increase the number of individuals who are nonresidential participants in the Job Corps.

(b) To the extent feasible, Job Corps centers shall offer education and vocational training opportunities, together with supportive services, on a nonresidential basis to participants in other programs under this Act. Such opportunities may be offered on a reimbursable basis or through such other arrangements as the Secretary may specify.

[(c) No funds appropriated to the Department of Labor for any fiscal year may be used to carry out any contract with a nongovernmental entity to administer or manage a Civilian Conservation Center of the Job Corps.**]**

(c) The Secretary may select an entity to operate a Civilian Conservation Center on a competitive basis if such a center fails to meet performance criteria established by the Secretary.

(d) Notwithstanding any other provision of law, any proceeds from the sale of Job Corps center facilities shall be retained by the Secretary to carry out the Job Corps program.

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STANDARDS OF CONDUCT

SEC. 430. (a) Within Job Corps centers standards of conduct shall be provided and stringently enforced, *including a policy of zero tolerance for violence and illegal drugs under which enrollees will receive mandatory terminations for specific actions in accordance with regulations issued by the Secretary. As part of the zero tolerance policy, drug testing of all students shall be required in accordance with procedures established by the Secretary.* If violations *of center standards other than those covered by the zero tolerance policy* are committed by enrollees, dismissal from the Corps or transfers to other locations shall be made if it is determined that their retention in the Corps, or in the particular center, will jeopardize the enforcement of such standards or diminish the opportunities of other enrollees.

(b) To promote the proper moral and disciplinary conditions in the Job Corps, the directors of Job Corps centers shall take appropriate disciplinary measures against enrollees, including dismissal from the Job Corps, subject to expeditious appeal to the Secretary.

* * * * * * *

COUNSELING AND JOB PLACEMENT

SEC. 432. (a) The Secretary shall counsel and test each enrollee at regular intervals to measure progress in educational and vocational programs.

(b) The Secretary shall counsel and test enrollees prior to their scheduled terminations to determine their capabilities and, *based on these capabilities,* shall make every effort to place them in jobs in the vocation for which they are trained or to assist them in attaining further training or education. In placing enrollees in jobs, the Secretary shall utilize the public employment service system to the fullest extent possible.

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EXPERIMENTAL AND DEVELOPMENTAL PROJECTS AND COORDINATION WITH OTHER PROGRAMS

SEC. 433. (a) * * *

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(c)(1) The Secretary, through the Job Corps and activities authorized under sections 452 and 453, shall develop and implement activities designed to [disseminate information] *disseminate to Federal, State, and local workforce development programs information and best practices* gained from Job Corps program experience which may be of use in the innovation and improvement of related programs. To carry out this purpose, the Secretary may enter into appropriate arrangements with any Federal or State agency.

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[PART C—VETERANS' EMPLOYMENT PROGRAMS]

PART C—VETERANS' EMPLOYMENT PROGRAMS

[PROGRAMS AUTHORIZED

[SEC. 441. (a)(1)]

SEC. 441. AUTHORIZATION OF PROGRAMS.

(a) AUTHORIZATION.—

(1) IN GENERAL.—The Secretary shall conduct, directly or through grant or contract, programs to meet the employment and training needs of service-connected disabled veterans, veterans of the Vietnam era, and veterans who are recently separated from military service.

[(2)] *(2) CONDUCT OF PROGRAMS.*—Programs supported under this part may be conducted through public agencies and private nonprofit organizations, including recipients under other provisions of this Act that the Secretary determines have an understanding of the unemployment problems of such veterans, familiarity with the area to be served, and the capability to administer effectively a program of employment and training assistance for such veterans.

[(3)] *(3) REQUIRED ACTIVITIES.*—Programs supported under this part shall include, but not be limited to—

(A) activities to enhance services provided veterans by other providers of employment and training services funded by Federal, State, or local government;

(B) activities to provide employment and training services to such veterans not adequately provided by other public employment and training service providers; and

(C) outreach and public information activities to develop and promote maximum job and job training opportunities for such veterans and to inform such veterans about employment, job-training, on-the-job training and educational opportunities under this Act, under title 38, United States Code, and under other provisions of law.

[(b)(1)]

(b) ADMINISTRATION OF PROGRAMS.—

(1) IN GENERAL.—The Secretary shall administer programs supported under this part through the Assistant Secretary for Veterans' Employment.

[(2)] *(2) ADDITIONAL RESPONSIBILITIES.*—In carrying out responsibilities under this part, the Assistant Secretary for Veterans' Employment shall—

(A) be responsible for the awarding of grants and the distribution of funds under this part and for the establishment of appropriate fiscal controls, accountability, and program-performance standards for grant recipients under this part; and

(B) consult with the Secretary of Veterans Affairs and take steps to ensure that programs supported under this part are coordinated, to the maximum extent feasible, with related programs and activities conducted under title 38, United States Code, including programs and activities conducted under subchapter II of chapter 77 of such title, chapters 31 and 34 of such title, and sections 1712A, 1720A, 3687, and 4103A of such title.

[PART D—NATIONAL ACTIVITIES

[NATIONAL PARTNERSHIP AND SPECIAL TRAINING PROGRAMS

[SEC. 451. (a) STATEMENT OF PURPOSE.—It is the purpose of this section to—

[(1) improve access to employment and training opportunities for individuals with special needs;

[(2) help alleviate skill shortages and enhance the competitiveness of the labor force;

[(3) meet special training needs that are best addressed on a multistate or industry-wide basis; and

[(4) encourage the participation and support of all segments of society to further the purposes of this Act.

[(b) PROGRAM AUTHORIZED.—The Secretary may establish a system of, and award, special grants to eligible entities to carry out programs that are most appropriately administered at the national level.

[(c) PROGRAMS.—Programs that are most appropriately administered at the national level include—

[(1) partnership programs with national organizations with special expertise in developing, organizing, and administering employment and training programs at the national, State, and local levels, such as industry and labor associations, public interest groups, community-based organizations representative of groups that encounter special difficulties in the labor market, and other organizations with special knowledge or capabilities in education and training;

[(2) programs that—

[(A) address industry-wide skill shortages;

[(B) meet training needs that are best addressed on a multistate basis; and

[(C) further the goals of increasing the competitiveness of the United States labor force; and

[(3) programs that require technical expertise available at the national level to serve specialized needs of particular client groups, including at-risk youth, offenders, individuals of limited-English language proficiency, individuals with disabilities, women, immigrants, single parents, substance abusers, displaced homemakers, youth, older individuals, veterans, school dropouts, public assistance recipients, and other individuals who the Secretary determines require special assistance.

[RESEARCH, DEMONSTRATION, AND EVALUATION

[SEC. 452. (a) STATEMENT OF PURPOSE.—It is the purpose of this section to assist the United States in expanding employment opportunities and ensuring access to such opportunities for all who desire such opportunities.

[(b) PROGRAM ESTABLISHED.—

[(1) IN GENERAL.—The Secretary shall establish a comprehensive program of training and employment research, utilizing the methods, techniques, and knowledge of the behavioral and social sciences and such other methods, techniques, and knowledge as will aid in the solution of the employment and training problems of the United States.

[(2) STUDIES.—The program established under this section may include studies concerning—

[(A) the development or improvement of Federal, State, local, and privately supported employment and training programs;

[(B) labor market processes and outcomes, including improving workplace literacy;

[(C) policies and programs to reduce unemployment and the relationships of the policies and programs with price stability and other national goals;

[(D) productivity of labor;

[(E) improved means of using projections of labor supply and demand, including occupational and skill requirements and areas of labor shortages at the national and subnational levels;

[(F) methods of improving the wages and employment opportunities of low-skilled, disadvantaged, and dislocated workers, and workers with obsolete skills;

[(G) methods of addressing the needs of at-risk populations, such as youth, homeless individuals and other dependent populations, older individuals, and other groups with multiple barriers to employment;

[(H) methods of developing information on immigration, international trade and competition, technological change, and labor shortages; and

[(I) methods of easing the transition from school to work, from transfer payment receipt to self-sufficiency, from one job to another, and from work to retirement.

[(c) Pilot and Demonstration Programs.—

[(1) Program established.—

[(A) In general.—The Secretary shall establish a program of pilot and demonstration programs for the purpose of developing and improving techniques and demonstrating the effectiveness of specialized methods in addressing employment and training needs. The Secretary may award grants and enter into contracts with entities to carry out the programs.

[(B) Projects.—Such programs may include projects in such areas as—

[(i) school-to-work transition;

[(ii) new methods of imparting literacy skills and basic education;

[(iii) new training techniques (including projects undertaken with the private sector);

[(iv) methods to eliminate artificial barriers to employment;

[(v) approaches that foster participation of groups that encounter special problems in the labor market (such as displaced homemakers, teen parents, welfare recipients, and older individuals);

[(vi) processes that demonstrate effective methods for alleviating the adverse effects of dislocations and plant closings on workers and their communities; and

[(vii) cooperative ventures among business, industry, labor, trade associations, community-based organizations or nonprofit organizations to develop new and cost-effective approaches to improving work force literacy.

[(2) Evaluation component.—Demonstration programs assisted under this subsection shall include a formal, rigorous evaluation component. Pilot programs assisted under this subsection shall include an appropriate evaluation component.

[(3) Special rule.—No demonstration program under this subsection shall be assisted under this section for a period of more than 7 years. No pilot program under this subsection shall be assisted under this section for a period of more than 3 years.

[(d) Evaluation.—

[(1) Programs.—

[(A) Job training programs.—The Secretary shall provide for the continuing evaluation of programs conducted under this Act, including the cost effectiveness of the program in achieving the purposes of this Act.

[(B) Other programs.—The Secretary may conduct evaluations of other federally funded employment-related activities including programs administered under—

[(i) the Wagner-Peyser Act (29 U.S.C. 49 et seq.);

[(ii) the National Apprenticeship Act (29 U.S.C. 50 et seq.);

[(iii) the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.);

[(iv) chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.); and

[(v) the Federal unemployment insurance program under titles III, IX, and XII of the Social Security Act (42 U.S.C. 501 et seq., 1101 et seq., and 1321 et seq.).

[(2) TECHNIQUES.—

[(A) METHODS.—Evaluations conducted under paragraph (1) shall utilize sound statistical methods and techniques of the behavioral and social sciences, including random assignment methodologies if feasible.

[(B) ANALYSIS.—Such evaluations may include cost-benefit analysis of programs, the impact of the programs on community and participants, the extent to which programs meet the needs of various demographic groups, and the effectiveness of the delivery systems used by various programs.

[(C) EFFECTIVENESS.—The Secretary shall evaluate the effectiveness of programs authorized under this Act with respect to—

[(i) the statutory goals;

[(ii) the performance standards established by the Secretary; and

[(iii) the extent to which such programs enhance the employment and earnings of participants, reduce income support costs, improve the employment competencies of participants in comparison to comparable persons who did not participate in such programs, and, to the extent feasible, increase the level of total employment over the level that would have existed in the absence of such programs.

[CAPACITY BUILDING, INFORMATION, DISSEMINATION, AND REPLICATION ACTIVITIES

[SEC. 453. (a) NATIONAL STRATEGY.—The Secretary shall develop a national strategy for carrying out the activities described in subsection (b)(2) and the replication of programs described in subsection (c), and shall ensure the implementation of the national strategy.

[(b) NETWORK.—

[(1) ESTABLISHMENT.—

[(A) IN GENERAL.—The Secretary shall establish a Capacity Building and Information and Dissemination Network (referred to in this section as the "Network") to enhance the effectiveness of and to strengthen the caliber of services provided through programs authorized under this Act and other Federal, State, and local employment and training programs.

[(B) ADMINISTRATION.—The Secretary shall establish and maintain such Network—

[(i) directly;

[(ii) under an interagency agreement; or

[(iii) through a grant or contract awarded on a competitive basis to a single entity, or to a system of entities coordinated by the Secretary, with appropriate expertise.

[(2) ACTIVITIES.—The Network shall—

[(A) provide, coordinate, and support the development of, appropriate training, technical assistance, staff development, and other activities that will—

[(i) enhance the skills, knowledge, and expertise of the personnel who staff employment and training and other closely related human service systems, including service providers;

[(ii) improve the quality of services provided to individuals served under this Act and other Federal employment and training programs and encourage integrated service delivery under such programs using—

[(I) where cost effective, interactive communication systems and satellite technology; and

[(II) where possible, staff trained in a variety of Federal human resource programs;

[(iii) improve the planning, procurement, and contracting practices pursuant to this Act; and

[(iv) provide broad human services policy and planning training to—

[(I) private industry council volunteers; and

[(II) where appropriate, members of State human resource investment councils and other State councils;

[(B) prepare and disseminate staff training curricula and materials, primarily using computer-based technologies, for employment and training professionals and support staff, that focus on enhancing staff competencies and professionalism, including instruction on the administrative requirements of this Act, such as procurement and contracting standards and regulations; and

[(C)(i) identify, develop, disseminate, and provide training in the techniques learned from, innovative and successful program models, materials, methods, and information, by using computer-based technologies for organizing a data base and dissemination and communication system for the Network, and establishing a computer-based communications and dissemination methodology to share information among employment and training personnel and institutions; and

[(ii) in identifying such program models, ensure that consideration shall be given to—

[(I) the size and scope of the program;

[(II) the length of time that the program has been operating;

[(III) the nature and reliability of measurable outcomes for the program;

[(IV) the capacity of the sponsoring organization to provide the technical assistance necessary for States and service delivery areas to replicate the program; and

[(V) the likelihood that the program will be successful in diverse economic, geographic, and cultural environments.

[(3) CHARGES.—The Network may require cost-sharing to offset the actual costs of institute training, materials acquisition, or information dissemination. Any resulting income shall be used in accordance with section 141(m).

[(4) COORDINATION.—

[(A) IN GENERAL.—The Secretary shall consult with the Secretaries of Education and Health and Human Services, as appropriate, to coordinate the activities of the Network with other relevant institutes, centers, laboratories, clearinghouses, or dissemination networks, such as the National Diffusion Network.

[(B) COORDINATION WITH REPLICATION GRANT PROGRAM.—To the extent possible, the Network shall coordinate the activities of the Network with activities assisted under the replication grant program conducted under subsection (c).

[(c) REPLICATION.—

[(1) REPLICATION PROGRAM AUTHORIZED.—The Secretary shall make competitive grants to public or private nonprofit organizations for technical assistance, and to States and service delivery areas for planning and program development, to promote the replication of employment and training programs that are successful in improving the employment prospects of populations served under this Act and that are replicable on a large scale. In making such grants, the Secretary shall consider the recommendations described in paragraph (2)(B) of the review panel established under paragraph (2)(A) regarding such programs.

[(2) REVIEW PANEL.—

[(A) ESTABLISHMENT.—The Secretary shall establish a review panel comprised of not more than 6 individuals appointed by the Secretary who are recognized experts in the operation and evaluation of employment and training programs for economically disadvantaged youth and adults, and dislocated workers.

[(B) RECOMMENDATIONS.—The review panel shall make recommendations to the Secretary regarding model programs that the panel considers likely to be successful in improving such employment prospects of populations served under this Act and to be replicable on a large scale.

[(C) CONSIDERATIONS.—In recommending such programs the review panel shall use the considerations described in subsection (b)(2)(C)(ii).

[(D) MEETINGS.—The review panel shall meet not more than once each year to carry out the responsibilities described in this paragraph.

[(E) CONFLICT OF INTEREST.—No member of such panel shall have a direct financial interest in or affiliation with a potential recipient of funds under the program authorized by this section.

[(3) APPLICATIONS.—

[(A) NONPROFIT ORGANIZATION.—Any public or private nonprofit organization desiring to receive such a grant to provide the technical assistance necessary for program replication may submit an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

[(B) STATE; SERVICE DELIVERY AREA.—Any State or service delivery area desiring to receive such a grant for planning and program development associated with a replication effort shall submit an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

[(C) CONTENTS.—Each application described in subparagraph (A) or (B) shall contain—

[(i) a description of the program proposed for replication and available evidence of the success of the program in improving the employment prospects of economically disadvantaged youth and adults, and dislocated workers, within each such service delivery area; and

[(ii) in the case of applications described in subparagraph (A), an assurance that the organization will enter into an agreement with the service delivery areas in which the program is to be replicated, to participate in the replication program.

[(4) GRANT LIMITATIONS.—

[(A) LIMITATION.—In any 3-year period the Secretary shall not approve grants for the same replication activities in more than 10 States or communities. During such 3-year period, the results of such limited replication efforts shall be carefully evaluated and examined by the Secretary regarding the advisability of replicating the model program in more than 10 States or communities or for longer than 3 years.

[(B) WAIVER.—The Secretary may waive the limitation set forth in subparagraph (A) for a program if immediate replication efforts on a larger scale are warranted by extensive evaluation of the program prior to designation as a model program under this subsection.

[(5) COORDINATION.—To the extent possible, the Secretary shall coordinate the activities assisted under the replication grant program conducted under this subsection with the activities of the Network under subsection (b). The Secretary shall ensure that information on the programs replicated under this subsection shall be available through the Network.

[(d) MANAGEMENT CAPABILITY.—

[(1) GRANTS.—From the amounts reserved under section 3(c)(2)(B)(ii)(III) for each fiscal year to carry out this subsection, the Secretary may award grants to States for the purpose of assisting the States in carrying out the activities described in section 202(c)(1)(A).

[(2) ELIGIBILITY.—A State that receives an amount under section 202(c)(1)(A) for a fiscal year that is less than $500,000 shall be eligible to receive a grant under this subsection for the fiscal year.

[(3) AMOUNT OF GRANT.—The amount of a grant awarded to a State for a fiscal year under paragraph (1) shall not exceed the lesser of—

[(A) $100,000; or

[(B) the difference obtained by subtracting from $500,000 the amount received by the State for the fiscal year under section 202(c)(1)(A).

[(4) AWARD OF GRANTS.—In determining whether to award a grant to a State under paragraph (1), and in determining the amount of such a grant, the Secretary shall take into account the demonstrated need of the State to receive such a grant, as indicated by—

[(A) the number of service delivery areas in the State; and

[(B) the demonstrated insufficiency of resources of the State to administer State responsibilities under sections 121 and 122.

[(5) APPLICATION.—To be eligible to receive a grant under this subsection for a fiscal year, a State shall submit an application at such time, in such manner, and containing such information as the Secretary may require, including sufficient information to enable the Secretary to make the determinations described in paragraph (4).

[(6) USE OF FUNDS.—The Secretary shall make available to carry out subsections (b) and (c) any amounts reserved under section 3(c)(2)(B)(ii)(III) for a fiscal year and not expended to make grants under paragraph (1) for such year.

[GUIDANCE ON ELIGIBILITY VERIFICATION

[SEC. 454. (a) ESTABLISHMENT.—The Secretary shall provide guidance and technical assistance, to States and service delivery areas, relating to the documentation required to verify the eligibility of participants under parts A, B, and C of title II of this Act, particularly the hard-to-serve individuals specified in section 203(b) and subsections (b) and (d) of section 263. Such documentation shall, to the extent practicable, be uniform and standard.

[(b) GUIDANCE.—The guidance provided pursuant to subsection (a), while maintaining program integrity, shall—

[(1) limit the documentation burden to the minimum necessary to adequately verify such eligibility; and

[(2) ensure, to the extent practicable, that the documentation requirements shall not discourage the participation of eligible individuals.

[(c) CONTENTS.—The guidance provided pursuant to subsection (a) shall specifically address income eligibility, assessment, the determination regarding whether an individual is a hard-to-serve individual, and specific uniform or standardized documentation forms or procedures (including simplified standardized forms, automated intake procedures, and self-certification documents) and other documentation proxies (such as Job Corps eligibility forms).

[(d) DATE.—The Secretary shall provide the guidance described in subsection (a) not later than December 18, 1992.

[UNIFORM REPORTING REQUIREMENTS

[SEC. 455. (a) FINDING.—Congress finds that closer coordination and more effective use of resources among a variety of employment and training programs can be facilitated if the programs have common data elements and definitions.

[(b) DATA ELEMENTS.—The Secretaries of Labor, Education, and Health and Human Services, in consultation with other appropriate departments and with the National Occupational Information Coordinating Committee, shall identify a core set of consistently defined data elements for employment and training programs, including those funded under titles II, III, and IV of this Act, the Wagner-Peyser Act (29 U.S.C. 49 et seq.), the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.), and title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.).

[(c) REPORT.—The Secretary shall prepare and submit to Congress not later than January 1, 1994, a report listing recommended data elements and their definitions, and containing an analysis of the benefits of the adoption of the data elements and definitions.

[(d) CONSULTATION.—The Secretary shall consult with experts and practitioners, at the Federal, State, and local levels and in the various program areas, in fulfilling the requirements of this section. The Secretary shall also consult with the General Accounting Office in fulfilling the requirements of this section.

[NONTRADITIONAL EMPLOYMENT DEMONSTRATION PROGRAM

[SEC. 456. (a)(1) From funds available under this part for each of the fiscal years 1992, 1993, 1994, and 1995, the Secretary shall use $1,500,000 in each such fiscal year to make grants to States to develop demonstration and exemplary programs to train and place women in nontraditional employment.

[(2) The Secretary may award no more than 6 grants in each fiscal year.

[(b) In awarding grants pursuant to subsection (a), the Secretary shall consider—

[(1) the level of coordination between the Job Training Partnership Act and other resources available for training women in nontraditional employment;

[(2) the extent of private sector involvement in the development and implementation of training programs under the Job Training Partnership Act;

[(3) the extent to which the initiatives proposed by a State supplement or build upon existing efforts in a State to train and place women in nontraditional employment;

[(4) whether the proposed grant amount is sufficient to accomplish measurable goals;

[(5) the extent to which a State is prepared to disseminate information on its demonstration training programs; and

[(6) the extent to which a State is prepared to produce materials that allow for replication of such State's demonstration training programs.

[(c)(1) Each State receiving financial assistance pursuant to this section may use such funds to—

[(A) award grants to service providers in the State to train and otherwise prepare women for nontraditional employment;

[(B) award grants to service delivery areas that plan and demonstrate the ability to train, place, and retain women in nontraditional employment; and

[(C) award grants to service delivery areas on the basis of exceptional performance in training, placing, and retaining women in nontraditional employment.

[(2) Each State receiving financial assistance pursuant to subsection (c)(1)(A) may only award grants to—

[(A) community based organizations,

[(B) educational institutions, or

[(C) other service providers,

that have demonstrated success in occupational skills training.

[(3) Each State receiving financial assistance under this section shall ensure, to the extent possible, that grants are awarded for training, placing, and retaining women in growth occupations with increased wage potential.

[(4) Each State receiving financial assistance pursuant to subsection (c)(1)(B) or (c)(1)(C) may only award grants to service delivery areas that have demonstrated ability or exceptional performance in training, placing, and retaining women in nontraditional employment that is not attributable or related to the activities of any service provider awarded funds under subsection (c)(1)(A).

[(d) In any fiscal year in which a State receives a grant pursuant to this section such State may retain an amount not to exceed 10 percent of such grant to—

[(1) pay administrative costs,

[(2) facilitate the coordination of statewide approaches to training and placing women in nontraditional employment, or

[(3) provide technical assistance to service providers.

[(e) The Secretary shall provide for evaluation of the demonstration programs carried out pursuant to this section, including evaluation of the demonstration programs' effectiveness in—

[(1) preparing women for nontraditional employment, and

[(2) developing and replicating approaches to train and place women in nontraditional employment.]

PART D—NATIONAL ACTIVITIES

SEC. 451. RESEARCH, DEMONSTRATION, EVALUATION, AND CAPACITY BUILDING.

(a) IN GENERAL.—The Secretary is authorized to establish and carry out research, demonstration, evaluation, and capacity building activities described in subsections (b) through (f).

(b) NATIONAL PARTNERSHIP AND SPECIAL TRAINING.—The Secretary may award special grants to eligible entities to carry out pro-

grams that are most appropriately administered at the national level. Such activities may include—

(1) partnership programs with national organizations with special expertise in developing, organizing, and administering employment and training services at the national, State, and local levels, such as industry and labor associations, public interest groups, community-based organizations representative of groups that encounter special difficulties in the labor market, and other organizations with special knowledge or capabilities in education and training; and

(2) activities that—

(A) address industry-wide skill shortages;

(B) meet training needs that are best addressed on a multi-state basis;

(C) further the goals of increasing the competitiveness of the United States labor force;

(D) require technical expertise available at the national level to serve the needs of particular client groups that encounter significant barriers to employment and who the Secretary determines require special assistance; or

(E) promote and experiment with model activities, pilot projects, and demonstration projects which further the goals and purposes of this Act.

(c) RESEARCH.—The Secretary is authorized to conduct continuing research, which may include studies and other methods and techniques, that will aid in the solution of the employment and training problems of the United States. Such studies may include the extent to which individuals who participate in programs established under this title achieve self-sufficiency as a result of such participation, including the identification by States and localities, to the extent practicable, of indicators measuring such self-sufficiency.

(d) PILOT AND DEMONSTRATION PROGRAMS.—

(1) IN GENERAL.—The Secretary is authorized to conduct pilot and demonstration programs for the purpose of developing and improving techniques and demonstrating the effectiveness of specialized methods in addressing employment and training needs which may include—

(A) the establishment of advanced manufacturing technology skill centers developed through local partnerships of industry, labor, education, community-based organizations, and economic development organizations to meet unmet, high-tech skills of local communities;

(B) programs conducted jointly with the Department of Defense to develop training programs utilizing computer-based and other innovative learning technologies;

(C) projects that promote the use of distance learning, enabling students to take courses through the use of media technology such as videos, teleconferencing computers, and the Internet;

(D) projects that assist in providing comprehensive services to increase the employment rates of out-of-school youth residing in targeted high poverty areas within empowerment zones and enterprise communities;

(E) the establishment of partnerships with national organizations with special expertise in developing, organizing, and administering employment and training services for persons with disabilities at the national, State, and local levels; and

(F) projects that assist local workforce development areas to develop and implement local self-sufficiency standards to evaluate the degree to which program participants are achieving self-sufficiency.

(2) GRANTS AND CONTRACTS.—The Secretary may award grants and enter into contracts with entities to carry out this subsection.

(3) EVALUATION AND EFFECTIVENESS.—Demonstration programs assisted under this subsection shall include a formal, rigorous evaluation component. Pilot programs assisted under this subsection shall include an appropriate evaluation component.

(4) SPECIAL RULE.—A demonstration program under this subsection may not be assisted under this subsection for a period of more than 7 years. A pilot program under this subsection may not be assisted under this subsection for a period of more than 3 years.

(e) EVALUATION.—

(1) ACTIVITIES.—

(A) JOB TRAINING.—The Secretary shall provide for the continuing evaluation of programs conducted under this Act.

(B) OTHER PROGRAMS.—The Secretary may conduct evaluations of federally-funded employment-related activities under other provisions of law.

(2) TECHNIQUES.—

(A) METHODS.—Evaluations conducted under paragraph (1) shall utilize sound statistical methods and techniques for the behavioral and social sciences, including the use of control groups chosen by scientific random assignment methodologies when feasible.

(B) EFFECTIVENESS.—The Secretary shall evaluate the effectiveness of programs authorized under this Act with respect to—

(i) the statutory goals; and

(ii) the cost effectiveness and return-on-investment of such programs based on the extent to which the programs—

(I) enhance the employment and earnings of participants;

(II) reduce income support costs (including the receipt of welfare assistance);

(III) improve the employment competencies of participants in comparison to comparable persons who did not participate in such programs; and

(IV) to the extent feasible, increase the level of total employment over the level that would have existed in the absence of such programs.

(f) TECHNICAL ASSISTANCE, DISSEMINATION, AND REPLICATION ACTIVITIES.—The Secretary shall provide, coordinate, and support the development of, appropriate training, technical assistance, staff development, and other activities, including assistance in replicating programs of demonstrated effectiveness, to States and localities.

SEC. 452. INCENTIVE GRANTS.

From amounts authorized to be appropriated pursuant to section 3(a)(3) to carry out this part for a fiscal year, the Secretary is authorized to award incentive grants to States consistent with the requirements of section 156(a).

SEC. 453. UNIFORM REPORTING REQUIREMENTS.

(a) FINDING.—Congress finds that closer coordination and more effective use of resources among a variety of employment and training programs can be facilitated if the programs have common data elements and definitions.

(b) DATA ELEMENTS.—The Secretaries of Labor, Education, and Health and Human Services, in consultation with other appropriate departments and with the National Occupational Information Coordinating Committee, shall identify a core set of consistently defined data elements for employment and training programs, including those funded under titles II, III, and IV of this Act, the Wagner-Peyser Act (29 U.S.C. 49 et seq.), the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.), and title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.).

(c) REPORT.—The Secretary shall prepare and submit to Congress not later than January 1, 1994, a report listing recommended data elements and their definitions, and containing an analysis of the benefits of the adoption of the data elements and definitions.

(d) CONSULTATION.—The Secretary shall consult with experts and practitioners, at the Federal, State, and local levels and in the various program areas, in fulfilling the requirements of this section. The Secretary shall also consult with the General Accounting Office in fulfilling the requirements of this section.

[PART E—LABOR MARKET INFORMATION**]**

PART E—LABOR MARKET INFORMATION

[LABOR MARKET INFORMATION; AVAILABILITY OF FUNDS

[SEC. 461. (a)**]**

SEC. 461. LABOR MARKET INFORMATION; AVAILABILITY OF FUNDS.

*(a) SET-ASIDE OF FUNDS.—*The Secretary shall set aside, out of sums available to the Department for any fiscal year including sums available for this title, such sums as may be necessary to maintain a comprehensive system of labor market information on a national, regional, State, local, or other appropriate basis, which shall be made publicly available in a timely fashion.

[(b)**]** *(b) AVAILABILITY FOR ADDITIONAL PURPOSE.—*Funds available for purposes of this part shall also be available for purposes of section **[**125**]** *467* (relating to State labor market information).

[(c)**]** *(c) AVAILABILITY OF OTHER FUNDS.—*Notwithstanding any other provision of law, funds available to other Federal agencies for carrying out chapter 35 of title 44, United States Code, the Carl D. Perkins Vocational Education Act, and the Act of June 6, 1933 (popularly known as the Wagner-Peyser Act), may be made available by the head of each such agency to assist in carrying out the provisions of this part.

[COOPERATIVE LABOR MARKET INFORMATION PROGRAM

[SEC. 462. (a)]

SEC. 462. COOPERATIVE LABOR MARKET INFORMATION PROGRAM.

(a) DATA ON CURRENT EMPLOYMENT.—The Secretary shall develop and maintain for the Nation, State, and local areas, current employment data by occupation and industry, based on the occupational employment statistics program, including selected sample surveys, and projections by the Bureau of Labor Statistics of employment and openings by occupation.

[(b)] *(b) MAINTENANCE OF DESCRIPTIONS OF JOB DUTIES AND RELATED INFORMATION.*—The Secretary shall maintain descriptions of job duties, training and education requirements, working conditions, and characteristics of occupations.

[(c)] *(c) ADDITIONAL REQUIREMENTS.*—In carrying out the provisions of this section, the Secretary shall assure that—

(1) departmental data collecting and processing systems are consolidated to eliminate overlap and duplication;

(2) the criteria of chapter 35 of title 44, United States Code, are met; and

(3) standards of statistical reliability and national standardized definitions of employment, unemployment, and industrial and occupational definitions are used.

[(d)(1)]

(d) DATA FOR ANNUAL STATISTICAL MEASURE OF LABOR MARKET RELATED ECONOMIC HARDSHIP.—

(1) IN GENERAL.—The Secretary is authorized to develop data for an annual statistical measure of labor market related economic hardship in the Nation. Among the factors to be considered in developing such a measure are unemployment, labor force participation, involuntary part-time employment, and full-time employment at wages less than the poverty level.

[(2)] *(2) HOUSEHOLD BUDGET DATA.*—The Secretary is authorized to develop and maintain, on national, State, local, and other appropriate bases, household budget data at different levels of living, including a level of adequacy, to reflect the differences of household living costs in regions and localities, both urban and rural.

[(3)] *(3) REPORT.*—The Secretary shall publish, at least annually, a report relating labor force status to earnings and income.

[(e)] *(e) STATISTICAL DATA RELATING TO PERMANENT LAY-OFFS AND PLANT CLOSINGS.*—The Secretary shall develop and maintain statistical data relating to permanent lay-offs and plant closings. The Secretary shall publish a report based upon such data, as soon as practicable, after the end of each calendar year. Among the data to be included are—

(1) the number of such closings;

(2) the number of workers displaced;

(3) the location of the affected facilities; and

(4) the types of industries involved.

[(f)(1)**]**

(f) Data Relating to Permanent Dislocation of Farmers and Ranchers.—

(1) In general.—The Secretary shall develop, in coordination with the Secretary of Agriculture, statistical data relating to permanent dislocation of farmers and ranchers due to farm and ranch failures. Among the data to be included are—

(A) the number of such farm and ranch failures;

(B) the number of farmers and ranchers displaced;

(C) the location of the affected farms and ranches;

(D) the types of farms and ranches involved; and

(E) the identification of farm family members, including spouses, and farm workers working the equivalent of a full-time job on the farm who are dislocated by such farm and ranch failures.

[(2)**]** *(2) Report.*—The Secretary shall publish a report based upon such data as soon as practicable after the end of each calendar year. Such report shall include a comparison of data contained therein with data currently used by the Bureau of Labor Statistics in determining the Nation's annual employment and unemployment rates and an analysis of whether farmers and ranchers are being adequately counted in such employment statistics. Such report shall also include an analysis of alternative methods for reducing the adverse effects of displacements of farmers and ranchers, not only on the individual farmer or rancher, but on the surrounding community.

[(g)(1) Taking into consideration research previously conducted by the National Commission for Employment Policy and other entities, the Commissioner of Labor Statistics, in cooperation with the States, shall determine appropriate procedures for establishing a nationwide database containing information on the quarterly earnings, establishment and industry affiliation, and geographic location of employment, for all individuals for whom such information is collected by the States.

[(2) The Commissioner of Labor Statistics shall determine appropriate procedures for maintaining such information in a longitudinal manner and for making such information available for policy research or program evaluation purposes or both, while ensuring the confidentiality of information and the privacy of individuals.

[(3) The Secretary shall prepare and submit to the Congress, not later than 12 months after the date of enactment of the Job Training Reform Amendments of 1992, a report that shall describe the costs and benefits, including savings on program followup surveys, of a nationwide database containing the information described in paragraph (1) and a schedule that would allow for the establishment of such a database.**]**

[SPECIAL FEDERAL RESPONSIBILITIES

[Sec. 463. (a)**]**

SEC. 463. SPECIAL FEDERAL RESPONSIBILITIES.

(a) Review and Application of Labor Market Information.—The Secretary, in cooperation with the Secretary of Commerce, the Secretary of Defense, the Secretary of the Treasury, the Secretary of Education, the Secretary of Health and Human Services, and the Director of the Office of Management and Budget, through the National Occupational Information Coordinating Committee established under section 422 of the Carl D. Perkins Vocational Education Act, shall—

(1) * * *

* * * * * * *

[(b)**]** *(b) Integrated Occupational Supply and Demand Information System.*—The Secretary, in cooperation with the Secretary of Defense, shall assure the development of an integrated occupational supply and demand information system to be used by States and, in particular, in secondary and postsecondary educational institutions in order to assure young persons adequate information on career opportunities in the Armed Forces.

[(c)**]** *(c) Sufficient Funds for Staffing.*—The Secretary and the Director of the Office of Management and Budget shall assure that, from the funds reserved for this part, sufficient funds are available to provide staff at the Federal level to assure the coordination functions described in this section.

[NATIONAL OCCUPATIONAL INFORMATION COORDINATING COMMITTEE

[SEC. 464. (a)(1)**]**

SEC. 464. NATIONAL OCCUPATIONAL INFORMATION COORDINATING COMMITTEE.

(a) Reservation.—

(1) In general.—Of the amounts available for this part for each fiscal year, $6,000,000 is authorized to be reserved for the National Occupational Information Coordinating Committee (established pursuant to section 422 of the Carl D. Perkins Vocational Education Act).

[(2)**]** *(2) Additional members.*—In addition to the members required by such Act, the Committee shall include the Assistant Secretary of Commerce for Economic Development and the Assistant Secretary of Defense Force Management and Personnel.

[(3)**]** *(3) Additional requirement.*—Not less than 75 percent of the funds transferred by the Secretary to the National Occupational Information Coordinating Committee shall be used to support State occupational information coordinating committees and other organizational units designated under section 125 for carrying out State labor market information programs.

[(b)**]** *(b) Additional Responsibilities.*—In addition to its responsibilities under the Carl D. Perkins Vocational Education Act, the National Occupational Information Coordinating Committee shall—

(1) * * *

* * * * * * *

[(c)] *(c) USE OF FUNDS.*—All funds available to the National Occupational Information Coordinating Committee under this Act, under section 422 of the Carl D. Perkins Vocational Education Act, and under section 12 of the Career Education Act may be used by the Committee to carry out any of its functions and responsibilities authorized by law.

[JOB BANK PROGRAM

[SEC. 465.]

SEC. 465. JOB BANK PROGRAM.

The Secretary is authorized to establish and carry out a nationwide computerized job bank and matching program (including the listing of all suitable employment openings with local offices of the State employment service agencies by Federal contractors and subcontractors and providing for the affirmative action as required by section 2012(a) of title 38, United States Code, on a regional, State, and local basis, using electronic data processing and telecommunications systems to the maximum extent possible for the purpose of identifying sources of available individuals and job vacancies, providing an expeditious means of matching the qualifications of unemployed, underemployed, and economically disadvantaged individuals with employer requirements and job opportunities, and referring and placing such individuals in jobs. An occupational information file may be developed, containing occupational projections of the numbers and types of jobs on regional, State, local, and other appropriate bases, as well as labor supply information by occupation.

SEC. 466. STATE JOB BANK SYSTEMS.

(a) IN GENERAL.—The Secretary may make sums available through the United States Employment Service for the development and implementation of job bank systems in each State. Such systems shall be designed to use computerized electronic data processing and telecommunications systems for such purposes as—

(1) identifying job openings and referring jobseekers to job openings, with continual updating of such information;

(2) providing information on occupational supply and demand; and

(3) utilization of such systems by career information delivery systems (including career counseling programs in schools).

(b) COMPUTERIZED DATA SYSTEMS.—Wherever possible, computerized data systems developed with assistance under this section shall be capable of utilizing software compatible with other systems (including management information systems and unemployment insurance and other income maintenance programs) used in the administration of employment and training programs. In developing such systems, special consideration shall be given to the advice and recommendations of the State occupational information coordinating committees (established under section 422(b) of the Carl D. Perkins Vocational Education Act), and other users of such systems for the various purposes described in subsection (b) of this section.

SEC. 467. STATE LABOR MARKET INFORMATION PROGRAMS.

(a) IN GENERAL.—In order to be eligible for Federal financial assistance for State labor market information programs under this Act

from funds made available under section 461(b), the Governor shall designate the State occupational information coordinating committee or other organizational unit to be responsible for oversight and management of a statewide comprehensive labor market and occupational supply and demand information system, which shall—

(1) design a comprehensive cost-efficient labor market and occupational supply and demand information system which—

(A) is responsive to the economic demand and education and training supply support needs of the State and areas within the State, and

(B) meets the Federal standards under chapter 35 of title 44, United States Code, and other appropriate Federal standards established by the Bureau of Labor Statistics;

(2) standardize available Federal and State multi-agency administrative records and direct survey data sources to produce an employment and economic analysis with a published set of projections for the State and designated areas within the State which, at the minimum, includes—

(A) identification of geographic and occupational areas of potential growth or decline; and

(B) an assessment of the potential impact of such growth or decline on individuals, industries, and communities, including occupational supply and demand characteristics data;

(3) assure, to the extent feasible, that—

(A) automated technology will be used by the State;

(B) administrative records have been designed to reduce paperwork; and

(C) multiple survey burdens on the employers of the State have been reduced;

(4) publish and disseminate labor market and occupational supply and demand information and individualized career information to State agencies, area public agencies, libraries, and private not-for-profit users, and individuals who are in the process of making career decision choices;

(5) conduct research and demonstration projects designed to improve any aspect of the statewide information system; and

(6) provide training and technical assistance to support comprehensive career guidance and participant activities for local programs assisted under this Act.

(b) ADDITIONAL REQUIREMENTS.—(1) The analysis required under clause (2) of subsection (a) shall be used to contribute in carrying out the provisions of this Act, the Carl D. Perkins Vocational Education Act, and the Act of June 6, 1933, known as the Wagner-Peyser Act.

(2) The assurance required by clause (3) of subsection (a) shall also include that the State will, to the maximum extent possible, assure consolidation of available administrative data and surveys to reduce duplication of recordkeeping of State and local agencies, including secondary and postsecondary educational institutions.

(3) If any Federal funds are used to carry out clause (5) of subsection (a), access to and information on the results will remain in the public domain.

(c) REIMBURSEMENTS.—The Secretary through the National Occupational Information Coordinating Committee shall reimburse the States the costs of carrying out the provisions of this section but the aggregate reimbursements in any fiscal year shall not exceed the amount available under part E of title IV for this section.

(d) COMBINATION OR CONSOLIDATION OF CERTAIN REPORTING REQUIREMENTS.—No provision of this part or any other provision of Federal law shall be construed to prohibit any State from combining or consolidating Federal administrative management information reporting requirements relating to employment, productivity, or training, if notice is transmitted by the Governor to the head of each appropriate Federal and State agency responsible for the laws governing the Federal reporting requirements. The notice shall specify the intent to combine or consolidate such requirements. The head of each appropriate Federal agency shall approve the combination or consolidation unless, within sixty days after receiving the notice, the Federal agency can demonstrate that the combination or consolidation will not meet the essential purposes of the affected Federal law.

[PART F—NATIONAL COMMISSION FOR EMPLOYMENT POLICY

[STATEMENT OF PURPOSE

[SEC. 471. The purpose of this part is to establish a National Commission for Employment Policy which shall have the responsibility for examining broad issues of development, coordination, and administration of employment and training programs, and for advising the President and the Congress on national employment and training issues. For the purpose of providing funds for the Commission, the Secretary shall reserve $2,000,000 of the sums appropriated for this title for each fiscal year.

[COMMISSION ESTABLISHED

[SEC. 472. (a) There is established a National Commission for Employment Policy (hereinafter in this part referred to as the "Commission"). The Commission shall be composed of 15 members, appointed by the President. The members of the Commission shall be individuals who are nationally prominent and the Commission shall be broadly representative of agriculture, business, labor, commerce, education (including elementary, secondary, postsecondary, and vocational and technical education), veterans, current State and local elected officials, community-based organizations, assistance programs, and members of the general public with expertise in human resource development or employment and training policy. The membership of the Commission shall be generally representative of significant segments of the labor force, including women and minority groups.

[(b) The term of office of each member of the Commission appointed by the President under subsection (a) shall be three years, except that—

[(1) any such member appointed to fill a vacancy shall serve for the remainder of the term for which his predecessor was appointed, and

[(2) of such members first taking office—

[(A) five shall serve for terms of one year;

[(B) five shall serve for terms of two years; and

[(C) five shall serve for terms of three years;

as designated by the President at the time of appointment.

[(c)(1) The Chairman shall be selected by the President.

[(2) The Commission shall meet not fewer than three times each year at the call of the Chairman.

[(3) A majority of the members of the Commission shall constitute a quorum, but a lesser number may conduct hearings. Any recommendation may be passed only by a majority of the members present. Any vacancy in the Commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made.

[(d) The Chairman (with the concurrence of the Commission) shall appoint a Director, who shall be chief executive officer of the Commission and shall perform such duties as are prescribed by the Chairman.

[FUNCTIONS OF THE COMMISSION

[SEC. 473. The Commission shall—

[(1) identify the employment goals and needs of the Nation, and assess the extent to which employment and training, vocational education, institutional training, vocational rehabilitation, economic opportunity programs, public assistance policies, employment-related tax policies, labor exchange policies, and other policies and programs under this Act and related Acts represent a consistent, integrated, and coordinated approach to meeting such needs and achieving such goals;

[(2) develop and make appropriate recommendations designed to meet the needs and goals described in clause (1);

[(3) examine and evaluate the effectiveness of federally assisted employment and training programs (including programs assisted under this Act), with particular reference to the contributions of such programs to the achievement of objectives sought by the recommendations made under clause (2);

[(4) advise the Secretary on the development of national performance standards and the parameters of variations of such standards for programs conducted pursuant to this Act;

[(5) evaluate the impact of tax policies on employment and training opportunities;

[(6) examine and evaluate major Federal programs which are intended to, or potentially could, contribute to achieving major objectives of existing employment and training and related legislation or the objectives set forth in the recommendations of the Commission, and particular attention shall be given to the programs which are designed, or could be designed, to develop information and knowledge about employment and training problems through research and demonstration projects or to train personnel in fields (such as occupational counseling, guidance, and placement) which are vital to the success of employment and training programs;

[(7) identify the employment and training and vocational education needs of the Nation and assess the extent to which employment and training, vocational education, rehabilitation, and other programs assisted under this and related Acts represent a consistent, integrated, and coordinated approach to meeting such needs.

[(8) study and make recommendations on how, through policies and actions in the public and private sectors, the Nation can attain and maintain full employment, with special emphasis on the employment difficulties faced by the segments of the labor force that experience differentially high rates of unemployment;

[(9) identify and assess the goals and needs of the Nation with respect to economic growth and work improvements, including conditions of employment, organizational effectiveness and efficiency, alternative working arrangements, and technological changes;

[(10) evaluate the effectiveness of training provided with Federal funds in meeting emerging skill needs; and

[(11) study and make recommendations on the use of advanced technology in the management and delivery of services and activities conducted under this Act.

[ADMINISTRATIVE PROVISIONS

[SEC. 474. (a) Subject to such rules and regulations as may be adopted by the Commission, the Chairman is authorized to—

[(1) prescribe such rules and regulations as may be necessary;

[(2) appoint and fix the compensation of such staff personnel as the Chairman deems necessary, and without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and the General Schedule pay rates, appoint not to exceed five additional professional personnel;

[(3) procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code;

[(4) accept voluntary and uncompensated services of professional personnel, consultants, and experts, notwithstanding any other provision of law;

[(5) accept in the name of the United States and employ or dispose of gifts or bequests to carry out the functions of the Commission under this title;

[(6) enter into contracts and make such other arrangements and modifications, as may be necessary;

[(7) conduct such studies, hearings, research activities, demonstration projects, and other similar activities as the Commission deems necessary to enable the Commission to carry out its functions under this title;

[(8) use the services, personnel, facilities, and information of any department, agency, and instrumentality of the executive branch of the Federal Government and the services, personnel, facilities, and information of State and local public agencies and private research agencies, with the consent of such agencies, with or without reimbursement therefor; and

[(9) make advances, progress, and other payments necessary under this Act without regard to the provisions of section 3648 of the Revised Statutes (31 U.S.C. 529).

[(b) Upon request made by the Chairman of the Commission, each department, agency, and instrumentality of the executive branch of the Federal Government is authorized and directed to make its services, personnel, facilities, and information (including computer-time, estimates, and statistics) available to the greatest practicable extent to the Commission in the performance of its functions under this Act.

[REPORTS

[SEC. 475. The Commission shall make at least annually a report of its findings and recommendations to the President and to the Congress. The Commission may make such interim reports or recommendations to the Congress, the President, the Secretary, or to the heads of other Federal departments and agencies, and in such form, as it may deem desirable. The Commission shall include in any report made under this section any minority or dissenting views submitted by any member of the Commission.

[PART G—TRAINING TO FULFILL AFFIRMATIVE ACTION OBLIGATIONS

[AFFIRMATIVE ACTION

[SEC. 481. (a) A contractor subject to the affirmative action obligations of Executive Order 11246, as amended, issued September 24, 1965, may establish or participate in training programs pursuant to this section for individuals meeting the eligibility criteria established in sections 203(a)(1), 401, and 402, which are designed to assist such contractors in meeting the affirmative action obligations of such Executive order. To qualify under this section, such a training program shall contain—

[(1) a description of the jobs in the contractor's work force or in the service delivery area, for which the contractor has determined there is a need for training;

[(2) a description of the recruiting, training, or other functions that the contractor, or the organization that will be engaged to perform the training, will perform and the steps that will be taken to insure that eligible individuals will—

[(A) be selected for participation in training,

[(B) be trained in necessary skills, and

[(C) be referred for job openings,

in accordance with the objectives of such Executive order;

[(3) whenever an organization other than the contractor will perform the training, a description of the demonstrated effectiveness of the organization as a provider of employment and training services;

[(4) a description of how the contractor will monitor the program to keep an accurate accounting of all trainees, including (A) whether the trainees successfully complete the training program, and (B) whether the trainees are or are not placed; and

[(5) an estimation of the cost of the program and an assurance that the contractor will assume all costs of the program or the pro rata share of costs to the contractor of the program.

[(b)(1)(A) If the training proposal is designed to meet the needs of the community rather than, or in addition to, the employment needs of the contractor, and has not been approved by another Federal agency, the program shall be submitted to the private industry council established under section 102 for a determination that there is a need for such training in the community.

[(B) Individuals trained under any program satisfying the requirements of this section may be included by the private industry council in its performance accomplishments and the wage gains of such individuals shall be included in determining the compliance of the job training program of the private industry council with applicable standards.

[(2) The Director of the Office of Federal Contract Compliance Programs, Department of Labor, shall promulgate regulations setting forth how the Office will determine, during a compliance review, the degree to which a training program will satisfy the contractor's affirmative action obligations. The training and placement of trainees with employers other than the contractor may be considered in evaluating such contractor's overall good faith efforts, but in no event may placement of trainees with employers other than the contractor be permitted to affect that contractor's affirmative action obligations respecting its work force. The content of the training program will not be subject to review or regulation by the Office of Federal Contract Compliance Programs. If during a compliance review the Director of the Office of Federal Contract Compliance Programs determines that a training program does not comply with its regulations, the Director shall—

[(A) notify the contractor of the disapproval,

[(B) set forth the reasons for the disapproval, and

[(C) provide a list of recommendations which, if accepted, will qualify the training program under this section.

[(3) A contractor who has a training program which contains the criteria set forth in subsection (a) and which is in accordance with regulations promulgated under paragraph (2) of this subsection shall continue to meet the affirmative action obligations of Executive Order 11246, as amended, but the contractors required to maintain a written affirmative action program need only maintain an abbreviated affirmative action program, the content and length of which shall be determined by the Director of the Office of Federal Contract Compliance Programs, to satisfy the written affirmative action program portion of their obligations under Executive Order 11246, as amended. Successful performance or operation of a training program meeting the criteria set forth in subsection (a) shall create a presumption that the contractor has made a good faith effort to meet its affirmative action obligations to the degree specified by the Director under paragraph (2) of this subsection, but that presumption shall not be applicable to the satisfaction of other affirmative action obligations not directly related to the training and hiring requirements of this section, or other affirmative action obligations not affected by this section. For the purpose of the preceding sentence, "successful performance or operation" means training and placing in jobs a number of individuals which bears a reasonable relationship to the number of job openings in the contractors's facilities or in the relevant labor market area.

[(c) Nothing in this section may be interpreted—

[(1) to compel contractor involvement in such programs,

[(2) to establish the exclusive criteria by which a contractor can be found to have fulfilled its affirmative action obligations,

[(3) to provide authority for imposing any additional obligations on contractors not participating in such training activities,

[(4) to permit the Office of Federal Contract Compliance Programs to intervene or interfere with the authority and responsibilities of the private industry councils,

[(5) to restrict or limit the authority of the Secretary to investigate the employment practices of any Government contractor, to initiate such investigation by the Director, to determine whether any nondiscrimination contractual provisions have been violated, or to enforce Executive Order 11246, or

[(6) to prohibit the Secretary or the Director, or other authorized officers of the United States, from requesting or compelling any contractor preparing and maintaining a short form affirmative action plan under subsection (b) to provide information necessary to conduct a compliance review or to provide data necessary to determine whether any violation of Executive Order 11246 has occurred.

[PART H—YOUTH FAIR CHANCE PROGRAM

[SEC. 491. STATEMENT OF PURPOSE.

[It is the purpose of the Youth Fair Chance program under this part to—

[(1) ensure access to education and job training assistance for youth residing in high poverty areas of urban and rural communities;

[(2) provide a comprehensive range of education, training, and employment services to disadvantaged youth who are not currently served or are underserved by Federal education and job training programs;

[(3) enable communities with high concentrations of poverty to establish and meet goals for improving the opportunities available to youth within the community; and

[(4) facilitate the coordination of comprehensive services to serve youth in such communities.

[SEC. 492. PROGRAM AUTHORIZED.

[(a) ESTABLISHMENT OF PROGRAM.—The Secretary is authorized to establish a national program of Youth Fair Chance grants to pay the Federal share attributable to this part of providing comprehensive services to youth living in high poverty areas in the cities and rural areas of the Nation.

[(b) ELIGIBILITY FOR GRANTS.—

[(1) RECIPIENTS.—The Secretary may only award grants under this part to—

[(A) the service delivery area (on behalf of the participating community) in which a target area is located;

[(B) in the case of a grant involving a target area located in an Indian reservation or Alaska Native village, the grantee designated under subsection (c) or (d) of section 401, or a consortium of such grantees and the State; or

[(C) in the case of a grant involving a target area located in a migrant or seasonal farmworker community, the grantee designated under section 402(c), or a consortium of such grantees and the State.

[(2) Number of grants.—

[(A) In general.—The Secretary may award not more than 25 grants during the first fiscal year that the program is authorized.

[(B) Indian reservations and Alaska native villages.—In awarding grants under this part during the first 5 fiscal years that the program is assisted, the Secretary shall award—

[(i) at least 1 grant to a grantee or consortium described in paragraph (1)(B); and

[(ii) at least 1 grant to a grantee or consortium described in paragraph (1)(C).

[(c) Renewability of Grants.—

[(1) In general.—Grants awarded under this part shall be for a 1-year period. Such a grant shall be renewable for each of the 2 succeeding fiscal years if the Secretary determines the grant recipient complied with conditions of the grant during the previous fiscal year.

[(2) Extension.—The Secretary may extend the renewal period set forth in paragraph (1) for an additional 2 fiscal years on reapplication.

[(d) Factors for Awards.—In awarding grants under this part, the Secretary shall consider the quality of the proposed project, the goals to be achieved, the likelihood of successful implementation, the extent of community support, other Federal and non-Federal funds available for similar purposes, and additional State, local, or private resources that will be provided. The Secretary shall give priority to participating communities with the highest poverty rates.

[SEC. 493. APPLICATION.

[(a) Eligibility To Apply.—Participating communities that have the highest concentrations of poverty, as determined by the Secretary based on the latest Bureau of the Census estimates, shall be eligible to apply for a Youth Fair Chance grant.

[(b) Contents of Application.—

[(1) In general.—Each participating community desiring a grant under this part shall, through the individuals set forth in subsection (c), submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

[(2) Contents.—Each such application shall—

[(A) include a comprehensive plan for the Youth Fair Chance initiative designed to achieve identifiable goals for youth in the target area;

[(B) set forth measurable program goals and outcomes, which may include increasing the proportion of—

[(i) youth completing high school or its equivalent;

[(ii) youth entering into postsecondary institutions, apprenticeships, or other advanced training programs;

[(iii) youth placed in jobs; or

[(iv) youth participating in education, training, and employment services;

[(C) include supporting goals for the target area such as increasing security and safety, or reducing the number of drug-related arrests;

[(D) provide assurances that the applicant will comply with the terms of the agreement described in section 494;

[(E) demonstrate how the participating community will make use of the resources, expertise, and commitment of institutions of higher education, educational agencies, and vocational and technical schools and institutes;

[(F) provide an assurance that all youth in the target areas will have access to a coordinated and comprehensive range of education and training opportunities that serve the broadest range of youth interests and needs and simultaneously mobilizes the diverse range of education and training providers in the participating community;

[(G) provide assurances that the youth in the target area will have access to supportive services necessary for successful participation, including such services as child care, transportation, and assistance in resolving personal or family crises, such as crises related to substance abuse, homelessness, migration, and family violence;

[(H) include a description of a system of common intake procedures or sites, individualized assessment, and case management to be used by the program;

[(I) demonstrate how the participating community will make use of the resources, expertise, and commitment of such programs and service providers as—

[(i) community-based organizations providing vocational skills, literacy skills, remedial education, and general equivalency preparation, including community-based organizations serving youth with limited-English proficiency;

[(ii) youth corps programs, including youth conservation and human service corps;

[(iii) Job Corps centers;

[(iv) apprenticeship programs; and

[(v) other projects and programs funded under this Act;

[(J) include an estimate of the expected number of youth in the target area to be served;

[(K) include a description of the resources available in the participating community from private, local government, State, and Federal sources that will be used to achieve the goals of the program;

[(L) include an estimate of funds required to ensure access to appropriate education, training, and support services for all youth in the target area who seek such opportunities; and

[(M) provide evidence of support for accomplishing the stated goals of the participating community from—

[(i) local elected officials;

[(ii) the local school system;

[(iii) appropriate postsecondary education and training institutions;

[(iv) the applicable private industry council;

[(v) local community leaders;

[(vi) business;

[(vii) labor organizations; and

[(viii) other appropriate organizations.

[(c) Submission of Application.—The application for funds described in subsection (b) may only be submitted to the Secretary on behalf of a participating community by—

[(1) the mayor of a city or the chief elected official in a metropolitan statistical area, after the Governor of the State has had an opportunity to comment on the application;

[(2) the chief elected official of a nonmetropolitan county or the designated chief elected official of contiguous nonmetropolitan counties, after the Governor of the State has had an opportunity to comment on the application; or

[(3) a grantee or consortium described in subparagraph (B) or (C) of section 492(b)(1) in applications for Native American or migrant or seasonal farmworker communities, respectively.

[SEC. 494. GRANT AGREEMENT.

[(a) In General.—Each grant recipient receiving a grant under this part on behalf of a participating community shall enter into an agreement with the Secretary.

[(b) Contents.—Each such agreement shall—

[(1) designate a target area that—

[(A) will be the focus of the demonstration project; and

[(B) shall have a population of—

[(i) not more than 25,000; or

[(ii) in an appropriate case, not more than 50,000, except that in the event that the population of an area from which a high school draws a substantial portion of its enrollment exceeds either limit, the target area may encompass such boundary;

[(2) contain assurances that funds provided under this part will be used to support education, training, and supportive activities selected from a set of youth program models designated by the Secretary or from alternative models described in the application and approved by the Secretary, such as—

[(A) nonresidential learning centers;

[(B) alternative schools;

[(C) combined activities including summer remediation, work experience and work readiness training, and school-to-work, apprenticeship, or postsecondary education programs;

[(D) teen parent programs;

[(E) special programs administered by community colleges;

[(F) youth centers;

[(G) initiatives aimed at increased rural student enrollment in postsecondary institutions;

[(H) public-private collaborations to assure private sector employment and continued learning opportunities for youth; and

[(I) initiatives, such as youth corps programs, that combine community and youth service opportunities with education and training activities;

[(3) provide that funds received under this part will be used for services to youth ages 14 through 30 at the time of enrollment;

[(4) contain assurances that the local educational agency and any other educational agency that operates secondary schools in the target area shall provide such activities and resources as are necessary to achieve the educational goals specified in the application;

[(5) contain assurances that the participating community will provide such activities and local resources as are necessary to achieve the goals specified in the application;

[(6) contain assurances that the participating community will undertake outreach and recruitment efforts in the target area to encourage, to the maximum extent possible, participation by the disadvantaged youth who are currently unserved, or underserved, by education and training programs, including targeted measures specifically designed to enlist the participation of youth, particularly males, under the jurisdiction of the child welfare, juvenile justice, and criminal justice systems;

[(7) provide that the participating community will carry out special efforts to establish coordination with Federal, State, or local programs that serve the target population;

[(8) provide assurances that funds provided under this part for a fiscal year will be used only to pay the Federal share attributable to this part of the cost of programs and services not otherwise available in the target area and will supplement, and not supplant, funding from other local, State, and Federal sources available to youth in the target area during the previous year; and

[(9) permit funds provided under this part to be used to support paid work experience programs if such programs are combined with other education and training activities.

[SEC. 495. JOB GUARANTEES.

[(a) PROGRAM AUTHORITY.—The Secretary shall permit a reasonable number of the grant recipients under this part to enter into an agreement to provide, in accordance with this section, a job guarantee program to youths meeting prior school attendance and performance standards.

[(b) GUARANTEE AGREEMENTS.—A grant recipient providing such a job guarantee program shall enter into an agreement with the Secretary, which agreement shall—

[(1) provide that the program be available to youth age 16 to 19 who undertake a commitment to continue and complete their high school education;

[(2) require the grant recipient to guarantee employment to each youth undertaking the commitment if such youth meets school attendance and performance standards for the previous school semester, as established by the Secretary in consultation with the Secretary of Education;

[(3) provide that the grant recipient will make additional services available to support the undertaking of any such youth, which shall include counseling, job development and placement, and supportive services (including child care and transportation);

[(4) specify the conditions under which funds provided under this part may be used to provide wage subsidies of up to 50 percent through employers, which conditions shall—

[(A) encourage subsidies to employers who provide advanced or specialized training, or who provide a structured and integrated learning experience involving the school and employer; and

[(B) limit the duration of such subsidies to not more than 1 year;

[(5) require that the employment provided to any such youth shall not exceed 15 hours per week during the school year;

[(6) permit employment to continue through the summer following high school graduation, or until the youth reaches age 19, whichever is later; and

[(7) contain such other terms and conditions as the Secretary requires by regulation.

[(c) SELECTION OF GRANT RECIPIENTS.—In determining which grant recipients to permit to enter an agreement under this section, the Secretary shall seek to target funds to areas with the highest poverty rates.

[(d) YOUTH ELIGIBILITY.—All youth, regardless of income, residing in an eligible high poverty area shall be eligible to participate in the job guarantee program.

[(e) PRIVATE FUNDS.—Nothing in this section shall be construed to prohibit the grant recipient from raising funds to augment such grant if such funds are utilized under the conditions of the grant, except that such funds shall not be used for administration.

[SEC. 496. PAYMENTS; FEDERAL SHARE.

[(a) PAYMENTS REQUIRED.—In any fiscal year, the amount of a grant awarded under this part shall be based on the size of the target area and the extent of the poverty in such area, and shall be of sufficient size and scope to carry out an effective program under this part.

[(b) FEDERAL SHARE.—The Federal share attributable to this part of the cost of providing comprehensive services as provided in section 492(a) shall be not less than 70 percent for each fiscal year a grant recipient receives assistance under this Act.

[(c) OTHER FEDERAL SOURCES.—In providing for the remaining share of such cost, each grant recipient may provide not more than 20 percent of such cost from Federal sources other than funds received pursuant to this part.

[(d) NON-FEDERAL SHARE.—A grant recipient shall provide non-Federal funds in an amount not less than 10 percent of such cost, an in-kind contribution equivalent to such percent (as determined by the Secretary), or a combination thereof.

[SEC. 497. REPORTING.

[The Secretary is authorized to establish such reporting procedures as are necessary to carry out the purposes of this part.

[SEC. 498. FEDERAL RESPONSIBILITIES.

[(a) IN GENERAL.—The Secretary shall provide assistance to participating communities in implementing the projects assisted under this part.

[(b) INDEPENDENT EVALUATION.—

[(1) IN GENERAL.—The Secretary shall provide for a thorough, independent evaluation of the Youth Fair Chance program to assess the outcomes of youth participating in programs assisted under this part.

[(2) EVALUATION MEASURES.—In conducting the evaluation described in paragraph (1) the Secretary shall include an assessment of—

[(A) the impact on youth residing in target areas, including the rates of school completion, enrollment in advanced education or training, and employment of the youth;

[(B) the extent to which participating communities fulfilled the goal of guaranteed access to appropriate education, training, and supportive services to all eligible youth residing in target areas who seek to participate;

[(C) the effectiveness of guaranteed access to comprehensive services combined with outreach and recruitment efforts in enlisting the participation of previously unserved or underserved youth residing in target areas;

[(D) the effectiveness of efforts to integrate service delivery in target areas, including systems of common intake, assessment, and case management; and

[(E) the feasibility of extending guaranteed access to comprehensive education, training and support services for youth in all areas of the United States, including possible approaches to incremental extension of such access over time.

[(c) REPORT.—The Secretary shall prepare a report detailing the results of the independent evaluation described in subsection (b) and shall submit such report to the Congress not later than December 31, 1996, along with an analysis of expenditures made, results achieved, and problems in the operations and coordination of programs assisted under this part.

[(d) RESERVATION OF FUNDS.—The Secretary may reserve not more than 5 percent of the amount appropriated under this part in each fiscal year to carry out the provisions of this section.

[SEC. 498A. DEFINITIONS.

[For the purposes of this part—

[(1) PARTICIPATING COMMUNITY.—The term "participating community"—

[(A) in the case of a community conducting a project in an urban area, means a city in a metropolitan statistical area;

[(B) in the case of a community conducting a project in a rural area, means a nonmetropolitan county or contiguous nonmetropolitan counties;

[(C) in the case of a community conducting a project in an Indian reservation or Alaska Native village, the grantee designated under subsection (c) or (d) of section 401, or a consortium of such grantees and the State; or

[(D) in the case of a community conducting a project in a migrant or seasonal farmworker community, the grantee designated under section 402(c), or a consortium of such grantees and the State.

[(2) High poverty area.—The term "high poverty area" means an urban census tract, a nonmetropolitan county, a Native American Indian reservation, or an Alaska Native village, with a poverty rate of 30 percent or more, as determined by the Bureau of the Census, or a migrant or seasonal farmworker community.

[(3) Target area.—The term "target area" means a high poverty area or set of contiguous high poverty areas that will be the focus of the program in each participating community.

[Part I—Microenterprise Grants Program

[SEC. 499. MICROENTERPRISE GRANTS.

[(a) Program Authority.—From the amount appropriated to carry out this section for fiscal years 1993 through 1997, the Secretary of Labor shall make grants of not more than $500,000 per year to not more than 10 States per year to implement and enhance community-based microenterprise activities. Such grants shall be an amount adequate to ensure that the activities will be of sufficient size and scope to produce substantial benefits. Such activities shall be for the benefit of economically disadvantaged persons.

[(b) Use of Funds.—Such funds shall be used, notwithstanding section 141(q)—

[(1) to train program staff in such entrepreneurial activities as business plan development, business management, resource inventory design, and marketing approaches, and other activities necessary to provide effective entry level training to persons developing a microenterprise;

[(2) to provide to owners or potential owners of a microenterprise such technical assistance (including technical assistance with respect to business planning, securing funding, marketing, and production of marketing materials) and other assistance as may be necessary to develop microenterprise activities; and

[(3) to provide microenterprise support (such as peer support programs and counseling).

[(c) Application and Selection.—The Secretary shall award grants competitively under this section on the basis of—

[(1) the State commitment, as evidenced by existing or proposed related programs and support;

[(2) evidence of ability to conduct and monitor the microenterprise activities;

[(3) evidence of linkage to private, community-based credit and technical assistance providers; and

[(4) size of the non-Federal match.

[(d) Timing.—Not later than April 1 of any fiscal year, a State may submit to the Secretary an application. Not later than the following June 1, the Secretary shall approve not more than 10 of the applications. Not later than the following July 1, the Secretary shall authorize the applicant to begin the programs. The Secretary may consider making multiyear grants.

[(e) Matching Requirement.—

[(1) In general.—No State shall receive a grant under this section unless the State agrees to provide, to carry out the microenterprise programs, non-Federal contributions in an amount equal to 100 percent of Federal funds provided under such grant.

[(2) Determination.—The non-Federal contribution may be in cash or in-kind, fairly evaluated, including plant, equipment, or services.

[(f) Reports.—Each State receiving a grant under this section shall, for each fiscal year for which funds are received, submit to the Secretary a report that describes—

[(1) the programs that have been established and developed with such funds, including a description of the persons participating and the microenterprises developed;

[(2) the quantitative and qualitative benefits of such programs; and

[(3) the contributions of such programs to economic self-sufficiency and economic development.

[(g) Definitions.—As used in this section:

[(1) Microenterprise.—The term "microenterprise" means a commercial enterprise if—

[(A) the enterprise has 5 or fewer employees, 1 or more of whom owns the enterprise; and

[(B) each of the owners of the enterprise is economically disadvantaged.

[(2) State.—The term "State" includes—

[(A) in the case of a community conducting a project in an Indian reservation or Alaska Native village, the grantee designated under subsection (c) or (d) of section 401, or a consortium of such grantees and the State; and

[(B) in the case of a community conducting a project in a migrant or seasonal farmworker community, the grantee designated under section 402(c), or a consortium of such grantees and the State.

[PART J—DISASTER RELIEF EMPLOYMENT ASSISTANCE

[SEC. 499A. GENERAL AUTHORITY.

[(a) Qualification for Funds.—Funds appropriated to carry out this part shall be made available in a timely manner by the Secretary to the Governor of any State within which is located an area that has suffered an emergency or a major disaster as defined in paragraphs (1) and (2), respectively, of section 102 of the Disaster Relief Act of 1974 (42 U.S.C. 5122 (1) and (2)) (referred to in this part as the "disaster area").

[(b) SUBSTATE ALLOCATION.—Not less than 80 percent of the funds made available to any Governor under subsection (a) shall be allocated by the Governor to units of general local government located, in whole or in part, within such disaster areas. The remainder of such funds may be reserved by the Governor for use, in concert with State agencies, in cleanup, rescue, repair, renovation, and rebuilding activities associated with such major disaster.

[(c) COORDINATION.—Funds made available under this part to Governors and units of general local government shall be expended in consultation with—

[(1) agencies administering programs for disaster relief provided under the Disaster Relief Act of 1974; and

[(2) the administrative entity and the private industry council in each service delivery area within which disaster employment programs will be conducted under this part.

[SEC. 499B. USE OF FUNDS.

[(a) PROJECTS RESTRICTED TO DISASTER AREAS.—Funds made available under this part to any unit of general local government in a disaster area—

[(1) shall be used exclusively to provide employment on projects to provide food, clothing, shelter, and other humanitarian assistance for disaster victims and on projects regarding demolition, cleanup, repair, renovation, and reconstruction of damaged and destroyed structures, facilities, and lands located within the disaster area; and

[(2) may be expended through public and private agencies and organizations engaged in such projects.

[(b) ELIGIBLE PARTICIPANTS.—An individual shall be eligible to be offered disaster employment under this part if such individual is—

[(1)(A) eligible to participate or enroll, or is a participant or enrolled, under title III of this Act, other than an individual who is actively engaged in a training program; or

[(B) eligible to participate in programs or activities assisted under section 401 or 402; and

[(2) unemployed as a consequence of the disaster.

[(c) LIMITATIONS ON DISASTER RELIEF EMPLOYMENT.—No individual shall be employed under this part for more than 6 months for work related to recovery from a single natural disaster.

[(d) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to promote the fiscal integrity of programs conducted with funds made available under this part.

[SEC. 499C. DEFINITIONS.

[As used in this part, the term "unit of general local government" includes—

[(1) in the case of a community conducting a project in an Indian reservation or Alaska Native village, the grantee designated under subsection (c) or (d) of section 401, or a consortium of such grantees and the State; and

[(2) in the case of a community conducting a project in a migrant or seasonal farmworker community, the grantee designated under section 402(c), or a consortium of such grantees and the State.

[TITLE V—JOBS FOR EMPLOYABLE DEPENDENT INDIVIDUALS INCENTIVE BONUS PROGRAM

[SEC. 501. STATEMENT OF PURPOSE.

[It is the purpose of this title to provide incentives to reduce welfare dependency, promote self-sufficiency, increase child support payments, and increase employment and earnings of individuals by providing to each participating State a bonus for providing job training to—

[(1) absent parents of children receiving assistance under the State program funded under part A of title IV of the Social Security Act, who subsequent to such training pay child support for their children; and

[(2) blind or disabled individuals receiving supplemental security income under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.), who subsequent to such training are successfully placed in and retain employment.

[SEC. 502. PAYMENTS.

[(a) In General.—For each program year for which funds are appropriated to carry out this title, the Secretary shall pay to each participating State the amount that State is eligible to receive under this title.

[(b) Ratable Reductions.—If the amount so appropriated is not sufficient to pay each State the amount each State is eligible to receive, the Secretary shall ratably reduce the amount paid to each State.

[(c) Ratable Increases.—If any additional amount is made available for carrying out this title for any program year after the application of subsection (b), such additional amount shall be allocated among the States by increasing such payments in the same manner as they were reduced, except that no such State shall be paid an amount that exceeds the amount that the State is eligible to receive under this title.

[(d) Reprogramming.—If the amount appropriated for a program year is in excess of the amount necessary to pay each State the amount each State is eligible to receive, the Secretary shall allot the excess amount to the States for allocation to the service delivery areas in accordance with section 202 to carry out part A of title II.

[SEC. 503. AMOUNT OF INCENTIVE BONUS.

[The amount of the incentive bonus paid to each State shall be the sum of—

[(1) an amount equal to the total of the amounts of child support paid by each individual eligible under section 506(1) within the State, for up to 2 years after the termination of the individual from activities provided under this Act; and

[(2) an amount equal to the total reduction in the Federal contribution to the amounts received under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.) by each individual eligible under section 506(2) within the State, for up to 2 years after the termination of the individual from activities provided under this Act.

[SEC. 504. USE OF INCENTIVE BONUS FUNDS.

[(a) IN GENERAL.—

[(1) ALLOCATION.—

[(A) ADMINISTRATIVE COSTS.—During any program year, the Governor may use an amount not to exceed 5 percent of the total bonus payments of a State for administrative costs incurred under this title, including data and information collection and compilation, recordkeeping, or the preparation of applications for incentive bonuses.

[(B) DISTRIBUTION OF PAYMENTS.—The amount of incentive bonus payments that remains after the deduction of administrative costs under subparagraph (A) shall be distributed to service delivery areas and Job Corps centers within the State in accordance with an agreement between the Governor and representatives of such areas and centers. Such agreement shall reflect an equitable method of distribution that is based on the degree to which the efforts of such area or center contributed to the qualification of the State for an incentive bonus payment under this title.

[(2) SPECIAL RULE.—Not more than 10 percent of the amounts received under this title in any program year by each service delivery area and Job Corps center may be used for the administrative costs of establishing and maintaining systems necessary for operation of programs under this title, including the costs of providing incentive payments described in subsection (b), technical assistance, data and information collection and compilation, management information systems, postprogram followup activities, and research and evaluation activities. The balance of funds not so expended shall be used by each service delivery area for activities described in sections 204 and 264, and by each Job Corps center for activities authorized under part B of title IV.

[(b) INCENTIVE PAYMENTS TO SERVICE PROVIDERS.—Each service delivery area or Job Corps center may make incentive payments to service providers, including participating State and local agencies, and community-based organizations, that demonstrate effectiveness in delivering employment and training services to individuals such as those described in section 506.

[(c) APPLICATION OF SECTION RELATING TO ADMINISTRATIVE ADJUDICATIONS.—Section 166 (relating to administrative adjudication) shall apply to the distribution of incentive bonus payments under this section.

[SEC. 505. NOTICE AND APPLICATION.

[(a) NOTICE OF INTENT TO PARTICIPATE.—Any State seeking to participate in the incentive bonus program established under this title shall notify the Secretary of the intent of the State to participate not later than 30 days before the beginning of the first program year of participation.

[(b) APPLICATION.—

[(1) In general.—Any State seeking to receive an incentive bonus under this title shall submit an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require in order to ensure compliance with this title.

[(2) Contents.—Each such application shall contain, at a minimum—

[(A) a list of the eligible individuals in the State who satisfied the requirements of section 506 during the program year;

[(B) the amount of the incentive bonus attributable to each eligible individual and due the State under section 503; and

[(C) certification that documentation is available to verify the eligibility of participants and the amount of the incentive bonus claimed by the State.

[(c) Notice of Approval or Denial.—The Secretary shall promptly inform a State after receipt of the application as to whether or not the application of the State has been approved.

[SEC. 506. ELIGIBILITY FOR INCENTIVE BONUSES.

[An individual shall be eligible to participate in a program established under this title if—

[(1) the individual—

[(A) was an absent parent of any child receiving assistance under the State program funded under part A of title IV of the Social Security Act at the time such individual was determined to be eligible to participate in activities provided under this Act;

[(B) has participated in education, training or other activities (including the Job Corps) provided under this Act; and

[(C) pays child support for a child specified in subparagraph (A) following termination from activities provided under this Act; or

[(2) the individual—

[(A) is blind or disabled;

[(B) was receiving benefits under title XVI of the Social Security Act (relating to supplemental security income) at the time such individual was determined to be eligible to participate in activities under this Act;

[(C) has participated in education, training, or other activities (including the Job Corps) provided under this Act; and

[(D) earns from employment a wage or income.

[SEC. 507. INFORMATION AND DATA COLLECTION.

[(a) Technical Assistance.—In order to facilitate the collection, exchange, and compilation of data and information required by this title, the Secretary is authorized to provide technical assistance to the States. Such assistance may include cost-effective methods for using State and Federal records to which the Secretary has lawful access.

[(b) Joint Regulations.—

[(1) In general.—The Secretary and the Secretary of Health and Human Services shall jointly issue regulations regarding the sharing, among public agencies participating in the programs assisted under this title, of the data and information necessary to fulfill the requirements of this title.

[(2) Subjects.—Such regulations shall ensure—

[(A) the availability of information necessary to verify the eligibility of participants and the amount of the incentive bonus payable; and

[(B) the maintenance of confidentiality of the information so shared in accordance with Federal and State privacy laws.

[SEC. 508. EVALUATION AND REPORT.

[(a) Evaluation.—

[(1) In general.—The Secretary shall conduct or provide for an evaluation of the incentive bonus program assisted under this title.

[(2) Considerations.—The Secretary shall consider—

[(A) whether the program results in increased service under this Act to absent parents of children receiving assistance under the State program funded under part A of title IV of the Social Security Act and to recipients of supplemental security income under title XVI of the Social Security Act;

[(B) whether the program results in increased child support payments;

[(C) whether the program is administratively feasible and cost effective;

[(D) whether the services provided to other eligible participants under part A of title II are affected by the implementation and operation of the incentive bonus program; and

[(E) such other factors as the Secretary determines to be appropriate.

[(b) Report to Congress.—Not later than January 1, 1997, the Secretary shall submit a report to the appropriate committees of the Congress on the effectiveness of the incentive bonus program assisted under this title. Such report shall include an analysis of the costs of such program and the results of program activities.

[SEC. 509. IMPLEMENTING REGULATIONS.

[The Secretary shall promulgate regulations implementing this title not later than January 31, 1993.

[TITLE VI—MISCELLANEOUS PROVISIONS

[AMENDMENTS TO THE WAGNER-PEYSER ACT

[Sec. 601. (a) The Act of June 6, 1933, known as the Wagner-Peyser Act (29 U.S.C. 49 et seq.), is amended by striking out all that precedes section 4 of such Act and inserting in lieu thereof the following:

[“Section 1. In order to promote the establishment and maintenance of a national system of public employment offices, the United

States Employment Service shall be established and maintained within the Department of Labor.

["SEC. 2. For purposes of this Act—

["(1) the term 'chief elected official or officials' has the same meaning given that term under the Job Training Partnership Act;

["(2) the term 'private industry council' has the same meaning given that term under the Job Training Partnership Act;

["(3) the term 'Secretary' means the Secretary of Labor;

["(4) the term 'service delivery area' has the same meaning given that term under the Job Training Partnership Act; and

["(5) the term 'State' means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.

["SEC. 3. (a) The United States Employment Service shall assist in coordinating the State public employment services throughout the country and in increasing their usefulness by developing and prescribing minimum standards of efficiency, assisting them in meeting problems peculiar to their localities, promoting uniformity in their administrative and statistical procedure, furnishing and publishing information as to opportunities for employment and other information of value in the operation of the system, and maintaining a system for clearing labor between the States.

["(b) It shall be the duty of the Secretary of Labor to assure that unemployment insurance and employment service offices in each State, as appropriate, upon request of a public agency administering or supervising the administration of a State plan approved under part A of title IV of the Social Security Act or of a public agency charged with any duty or responsibility under any program or activity authorized or required under part D of title IV of such Act, shall (and, notwithstanding any other provision of law, is authorized to) furnish to such agency making the request, from any data contained in the files of any such office, information with respect to any individual specified in the request as to (1) whether such individual is receiving, has received, or has made application for, unemployment compensation, and the amount of any such compensation being received by such individual, (2) the current (or most recent) home address of such individual, and (3) whether such individual has refused an offer of employment and, if so, a description of the employment so offered and the terms, conditions, and rate of pay therefor.".

[(b) Section 5 of such Act is amended by striking out subsection (b) and inserting in lieu thereof the following new subsections:

["(b) The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State which—

["(1) except in the case of Guam, has an unemployment compensation law approved by the Secretary under the Federal Unemployment Tax Act and is found to be in compliance with section 303 of the Social Security Act, as amended,

["(2) is found to have coordinated the public employment services with the provision of unemployment insurance claimant services, and

["(3) is found to be in compliance with this Act, [such amounts as the Secretary determines to be necessary for allotment in accordance with section 6.

[“(c)(1) Beginning with fiscal year 1985 and thereafter appropriations for any fiscal year for programs and activities assisted or conducted under this Act shall be available for obligation only on the basis of a program year. The program year shall begin on July 1 in the fiscal year for which the appropriation is made.

[“(2) Funds obligated for any program year may be expended by the State during that program year and the two succeeding program years and no amount shall be deobligated on account of a rate of expenditure which is consistent with the program plan.

[“(3)(A) Appropriations for fiscal year 1984 shall be available both to fund activities for the period between October 1, 1983, and July 1, 1984, and for the program year beginning July 1, 1984.

[“(B) There are authorized to be appropriated such additional sums as may be necessary to carry out the provisions of this paragraph for the transition to program year funding.”.

[(c) Such Act is amended by adding at the end of section 5 the following new sections:

[“SEC. 6. (a) From the amounts appropriated pursuant to section 5 for each fiscal year, the Secretary shall first allot to Guam and the Virgin Islands an amount which, in relation to the total amount available for the fiscal year, is equal to the allotment percentage which each received of amounts available under this Act in fiscal year 1983.

[“(b)(1) Subject to paragraphs (2), (3), and (4) of this subsection, the Secretary shall allot the remainder of the sums appropriated and certified pursuant to section 5 of this Act for each fiscal year among the States as follows:

> [“(A) two-thirds of such sums shall be allotted on the basis of the relative number of individuals in the civilian labor force in each State as compared to the total number of such individuals in all States; and
>
> [“(B) one-third of such sums shall be allotted on the basis of the relative number of unemployed individuals in each State as compared to the total number of such individuals in all States.

For purposes of this paragraph, the number of individuals in the civilian labor force and the number of unemployed individuals shall be based on data for the most recent calendar year available, as determined by the Secretary of Labor.

[“(2) No State's allotment under this section for any fiscal year shall be less than 90 percent of its allotment percentage for the fiscal year preceding the fiscal year for which the determination is made. For the purpose of this section, the Secretary shall determine the allotment percentage for each State (including Guam and the Virgin Islands) for fiscal year 1984 which is the percentage that the State received under this Act for fiscal year 1983 of the total amounts available for payments to all States for such fiscal year. For each succeeding fiscal year, the allotment percentage for each such State shall be the percentage that the State received under this Act for the preceding fiscal year of the total amounts available for allotments for all States for such fiscal year.

["(3) For each fiscal year, no State shall receive a total allotment under paragraphs (1) and (2) which is less than 0.28 percent of the total amount available for allotments for all States.

["(4) The Secretary shall reserve such amount, not to exceed 3 percent of the sums available for allotments under this section for each fiscal year, as shall be necessary to assure that each State will have a total allotment under this section sufficient to provide staff and other resources necessary to carry out employment service activities and related administrative and support functions on a statewide basis.

["(5) The Secretary shall, not later than March 15 of fiscal year 1983 and each succeeding fiscal year, provide preliminary planning estimates and shall, not later than May 15 of each such fiscal year, provide final planning estimates, showing each State's projected allocation for the following year.

["SEC. 7. (a) Ninety percent of the sums allotted to each State pursuant to section 6 may be used—

["(1) for job search and placement services to job seekers including counseling, testing, occupational and labor market information, assessment, and referral to employers;

["(2) for appropriate recruitment services and special technical services for employers; and

["(3) for any of the following activities:

["(A) evaluation of programs;

["(B) developing linkages between services funded under this Act and related Federal or State legislation, including the provision of labor exchange services at education sites;

["(C) providing services for workers who have received notice of permanent layoff or impending layoff, or workers in occupations which are experiencing limited demand due to technological change, impact of imports, or plant closures;

["(D) developing and providing labor market and occupational information;

["(E) developing a management information system and compiling and analyzing reports therefrom; and

["(F) administering the work test for the State unemployment compensation system and providing job finding and placement services for unemployment insurance claimants.

["(b) Ten percent of the sums allotted to each State pursuant to section 6 shall be reserved for use in accordance with this subsection by the Governor of each such State to provide—

["(1) performance incentives for public employment service offices and programs, consistent with performance standards established by the Secretary, taking into account direct or indirect placements (including those resulting from self-directed job search or group job search activities assisted by such offices or programs), wages on entered employment, retention, and other appropriate factors;

["(2) services for groups with special needs, carried out pursuant to joint agreements between the employment service and the appropriate private industry council and chief elected official or officials or other public agencies or private nonprofit organizations; and

["(3) the extra costs of exemplary models for delivering services of the types described in subsection (a).

["(c) In addition to the services and activities otherwise authorized by this Act, the United States Employment Service or any State agency designated under this Act may perform such other services and activities as shall be specified in contracts for payment or reimbursement of the costs thereof made with the Secretary of Labor or with any Federal, State, or local public agency, or administrative entity under the Job Training Partnership Act, or private nonprofit organization.".

[(d) Section 8 of such Act is amended—

[(1) by striking out "Director" each place it appears and inserting in lieu thereof "Secretary of Labor";

[(2) by designating the first sentence thereof as subsection (a);

[(3) by designating the second and third sentences thereof as subsection (d);

[(4) by designating the fourth sentence thereof as subsection (e); and

[(5) by inserting after subsection (a) as amended by clause (1) of this subsection the following subsections:

["(b) Prior to submission of such plans to the Secretary—

["(1) the employment service shall develop jointly with each appropriate private industry council and chief elected official or officials for the service delivery area (designated under the Job Training Partnership Act) those components of such plans applicable to such area;

["(2) such plans shall be developed taking into consideration proposals developed jointly by the appropriate private industry council and chief elected official or officials in the service delivery area affected;

["(3) such plans shall be transmitted to the State job training coordinating council (established under such Act) which shall certify such plans if it determines (A) that the components of such plans have been jointly agreed to by the employment service and appropriate private industry council and chief elected official or officials; and (B) that such plans are consistent with the Governor's coordination and special services plan under the Job Training Partnership Act;

["(4) if the State job training coordinating council does not certify that such plans meet the requirements of clauses (A) and (B) of paragraph (3), such plans shall be returned to the employment service for a period of thirty days for it to consider, jointly with the appropriate private industry council and chief elected officials or officials, and council's recommendations for modifying such plans; and

["(5) if the employment service and the appropriate private industry council and chief elected official or officials fail to reach agreement upon such components of such plans to be submitted finally to the Secretary, such plans submitted by the State agency shall be accompanied by such proposed modifications as may be recommended by any appropriate disagreeing private industry council and chief elected official or officials affected, and the State job training coordinating council shall transmit to the Secretary its recommendations for resolution thereof.

[“(c) The Governor of the State shall be afforded the opportunity to review and transmit to the Secretary proposed modifications of such plans submitted.”;

[(e) Section 9 of such Act is amended to read as follows:

[“SEC. 9. (a)(1) Each State shall establish such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursal of, and accounting for, Federal funds paid to the recipient under this Act. The Director of the Office of Management and Budget, in consultation with the Comptroller General of the United States, shall establish guidance for the proper performance of audits. Such guidance shall include a review of fiscal controls and fund accounting procedures established by States under this section.

[“(2) At least once every two years, the State shall prepare or have prepared an independent financial and compliance audit of funds received under this Act.

[“(3) Each audit shall be conducted in accordance with applicable auditing standards set forth in the financial and compliance element of the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions issued by the Comptroller General of the United States.

[“(b)(1) The Comptroller General of the United States shall evaluate the expenditures by States of funds received under this Act in order to assure that expenditures are consistent with the provisions of this Act and to determine the effectiveness of the State in accomplishing the purposes of this Act. The Comptroller General shall conduct evaluations whenever determined necessary and shall periodically report to the Congress on the findings of such evaluations.

[“(2) Nothing in this Act shall be deemed to relieve the Inspector General of the Department of Labor of his responsibilities under the Inspector General Act.

[“(3) For the purpose of evaluating and reviewing programs established or provided for by this Act, the Comptroller General shall have access to and the right to copy any books, accounts, records, correspondence, or other documents pertinent to such programs that are in the possession, custody, or control of the State.

[“(c) Each State shall repay to the United States amounts found not to have been expended in accordance with this Act. No such finding shall be made except after notice and opportunity for a fair hearing. The Secretary may offset such amounts against any other amount to which the recipient is or may be entitled under this Act.”.

[(f) Section 10 of such Act is amended to read as follows:

[“SEC. 10. (a) Each State shall keep records that are sufficient to permit the preparation of reports required by this Act and to permit the tracing of funds to a level of expenditure adequate to insure that the funds have not been spent unlawfully.

[“(b)(1) The Secretary may investigate such facts, conditions, practices, or other matters which the Secretary finds necessary to determine whether any State receiving funds under this Act or any official of such State has violated any provision of this Act.

[“(2)(A) In order to evaluate compliance with the provisions of this Act, the Secretary shall conduct investigations of the use of funds received by States under this Act.

[“(B) In order to insure compliance with the provisions of this Act, the Comptroller General of the United States may conduct investigations of the use of funds received under this Act by any State.

[“(3) In conducting any investigation under this Act, the Secretary or the Comptroller General of the United States may not request new compilation of information not readily available to such State.

[“(c) Each State receiving funds under this Act shall—

[“(1) make such reports concerning its operations and expenditures in such form and containing such information as shall be prescribed by the Secretary, and

[“(2) establish and maintain a management information system in accordance with guidelines established by the Secretary designed to facilitate the compilation and analysis of programmatic and financial data necessary for reporting, monitoring, and evaluating purposes.”.

[(g) Section 11(a) of such Act is amended by adding at the end thereof the following new sentence: “Nothing in this section shall be construed to prohibit the Governor from carrying out functions of such State advisory council through the State job training coordinating council in accordance with section 122(c) of the Job Training Partnership Act.”.

[(h) Such Act is amended by adding at the end thereof the following new sections:

[“SEC. 13. (a) The Secretary is authorized to establish performance standards for activities under this Act which shall take into account the differences in priorities reflected in State plans.

[“(b) Nothing in this Act shall be construed to prohibit the referral of any applicant to private agencies as long as the applicant is not charged a fee.

[“SEC. 14. There are authorized to be appropriated; such sums as may be necessary to enable the Secretary to provide funds through reimburseable agreements with the States to operate statistical programs which are essential for development of estimates of the gross national product and other national statistical series, including those related to employment and unemployment.

[“SEC. 15. This Act may be cited as the ‘Wager-Peyser Act’.”.

[AMENDMENTS TO PART C OF TITLE IV OF THE SOCIAL SECURITY ACT

[SEC. 602. (a) Section 432(d) of the Social Security Act is amended to read as follows:

[“(d) In providing the training and employment services and opportunities required by this part, the Secretary of Labor shall, to the maximum extent feasible, assure that such services and opportunities are provided by using all authority available under this or any other Act. In order to assure that the services and opportunities so required are provided, the Secretary of Labor (1) shall assure, when appropriate, that registrants under this part are referred for training and employment services under the Job Training Partnership Act, and (2) may use the funds appropriated under this part to provide programs required by this part through such other Acts to the same extent and under the same conditions (except as regards the Federal matching percentage) as if appropriated under such other Act and, in making use of the programs of other Federal, State, or local agencies (public or private), the Secretary of Labor may reimburse such agencies for services rendered to individuals under this part to the extent that such services and opportunities are not otherwise available on a nonreimbursable basis.".

[(b)(1) Section 432(f) of such Act is amended—

[(A) by amending paragraph (1) to read as follows:

["(f)(1) The Secretary of Labor shall utilize the services of each private industry council (as established under the Job Training Partnership Act) to identify and provide advice on the types of jobs available or likely to become available in the service delivery area of such council.";

[(B) by striking out paragraph (2) and redesignating paragraph (3) as paragraph (2); and

[(C) by striking out "Labor Market Advisory Council" in such paragraph and inserting in lieu thereof "private industry council".

[(2) Section 433(b)(2) of such Act is amended by striking out "Labor Market Advisory Council (established pursuant to section 432(f))" and inserting in lieu thereof "private industry council under the Job Training Partnership Act".

[(c)(1) Section 432(b)(1)(A) of such Act is amended by inserting before the comma at the end thereof the following: ", which may include intensive job search services, including participation in group job search activities".

[(2) Section 433(a) of such Act is amended by striking out "unemployed fathers" and inserting in lieu thereof "unemployed parents who are the principal earners (as defined in section 407)".

[(3) Section 433 of such Act is amended by adding at the end thereof the following new subsection:

["(i) In planning for activities under this section, the chief executive officer of each State shall make every effort to coordinate such activities with activities provided by the appropriate private industry council and chief elected official or officials under the Job Training Partnership Act.".

[EARNINGS DISREGARD

[SEC. 603. (a) Section 402(a)(8)(A) of the Social Security Act is amended—

[(1) by striking out "and" at the end of clause (iii);

[(2) in clause (iv), by striking out "already disregarded under the preceding provisions of this paragraph" and inserting in lieu thereof "disregarded under any other clause of this subparagraph"; and

[(3) by adding at the end thereof the following new clause;

["(v) may disregard the income of any dependent child applying for or receiving aid to families with dependent children which is derived from a program carried out under the Job Training Partnership Act (as originally enacted), but only in such amounts, and for such period of time (not to exceed six months with respect to earned income) as the Secretary may provide in regulations; and".

[(b) Section 402(a)(18) of such Act is amended by inserting ", other than paragraph (8)(A)(v)" after "without application of paragraph (8)".

[ENFORCEMENT OF MILITARY SELECTIVE SERVICE ACT

[SEC. 604. The Secretary shall insure that each individual participating in any program established under this Act, or receiving any assistance or benefit under this Act, has not violated section 3 of the Military Selective Service Act (50 U.S.C. App. 453) by not presenting and submitting to registration as required pursuant to such section. The Director of the Selective Service System shall cooperate with the Secretary in carrying out this section.

[STATE JOB BANK SYSTEMS

[SEC. 605. (a)(1) The Secretary shall carry out the purposes of this section with sums appropriated pursuant to paragraph (2) for any fiscal year.

[(2) There are authorized to be appropriated to carry out this section $50,000,000 for fiscal year 1989 and such sums as may be necessary for each succeeding fiscal year.

[(b) The Secretary shall make such sums available through the United States Employment Service for the development and implementation of job bank systems in each State. Such systems shall be designed to use computerized electronic data processing and telecommunications systems for such purposes as—

[(1) identifying job openings and referring jobseekers to job openings, with continual updating of such information;

[(2) providing information on occupational supply and demand; and

[(3) utilization of such systems by career information delivery systems (including career counseling programs in schools).

[(c) Wherever possible, computerized data systems developed with assistance under this section shall be capable of utilizing software compatible with other systems (including management information systems and unemployment insurance and other income maintenance programs) used in the administration of employment and training programs. In developing such systems, special consideration shall be given to the advice and recommendations of the State occupational information coordinating committees (established under section 422(b) of the Carl D. Perkins Vocational Education Act), and other users of such systems for the various purposes described in subsection (b) of this section.

[TITLE VII—STATE HUMAN RESOURCE INVESTMENT COUNCIL

[SEC. 701. ESTABLISHMENT AND FUNCTIONS.

[(a) IN GENERAL.—Each State may, in accordance with the requirements of this title, establish a single State human resource investment council (in this title referred to as the "State Council") that—

[(1) shall review the provision of services and the use of funds and resources under applicable Federal human resource programs and advise the Governor on methods of coordinating such provision of services and use of funds and resources consistent with the laws and regulations governing such programs;

[(2) shall advise the Governor on the development and implementation of State and local standards and measures relating to applicable Federal human resource programs and coordination of such standards and measures;

[(3) shall carry out the duties and functions prescribed for existing State councils described under the laws relating to the applicable Federal human resource programs;

[(4) may identify the human investment needs in the State and recommend to the Governor goals for meeting such needs;

[(5) may recommend to the Governor goals for the development and coordination of the human resource system in the State;

[(6) may prepare and recommend to the Governor a strategic plan to accomplish the goals developed pursuant to paragraphs (4) and (5); and

[(7) may monitor the implementation of and evaluate the effectiveness of the strategic plan prepared pursuant to paragraph (6).

[(b) APPLICABLE FEDERAL HUMAN RESOURCE PROGRAM DEFINED.—

[(1) IN GENERAL.—(A) Except as provided in subparagraph (B), for purposes of this title, the term "applicable Federal human resource program" includes any program authorized under the provisions of law described under paragraph (2)(A) that the Governor and the head of the State agency responsible for the administration of such program jointly agree to include within the jurisdiction of the State Council.

[(B) With respect to a program authorized under the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.) under paragraph (2)(A)(ii), the term "applicable Federal human resource program" shall only apply to such program if, in addition to meeting the requirements of subparagraph (A), the State council on vocational education agrees to include such program under the jurisdiction of the State Council.

[(2) PROGRAMS.—In accordance with the requirements of paragraph (1), applicable Federal human resource programs—

[(A) may include the programs authorized under—

[(i) this Act;

[(ii) the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.);

[(iii) the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.);

[(iv) the Adult Education Act (20 U.S.C. 1201 et seq.);

[(v) the Wagner-Peyser Act (29 U.S.C. 49 et seq.); and

[(vii) the employment program established under section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)); and

[(B) may not include programs authorized under the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.).

[SEC. 702. COMPOSITION.

[(a) IN GENERAL.—Each State Council shall be composed as follows:

[(1) Each State Council shall include the head of each State agency responsible for the administration of an applicable Federal human resource program.

[(2)(A) Each State Council shall include one or more representatives, appointed by the Governor to the State Council for a minimum of 2 years, from each of the following:

[(i) Local public education.

[(ii) A postsecondary institution.

[(iii) A secondary or postsecondary vocational educational institution.

[(iv) A community-based organization.

[(B) The total number of representatives appointed under clause (i), (ii), and (iii) of subparagraph (A) shall constitute not less than 15 percent of the membership of the State Council.

[(3)(A) Each State Council shall include individuals, appointed by the Governor to the State Council for a minimum of 2 years, from among the following:

[(i) Representatives of business and industry, who shall constitute not less than 15 percent of the membership of the State Council, including individuals who are representatives of business and industry on private industry councils established within the State under section 102.

[(ii) Representatives of organized labor who—

[(I) shall be selected from among individuals nominated by recognized State labor federations; and

[(II) shall constitute not less than 15 percent of the membership of the State Council.

[(B) If the State labor federation fails to nominate a sufficient number of individuals under subclause (I) of subparagraph (A)(ii) to satisfy the requirement under subclause (II) of such subparagraph, individual workers may be included on the State Council to satisfy such requirement.

[(b) ADDITIONAL MEMBERS.—Each State Council may also include additional qualified members, who may be selected from—

[(1) representatives from local welfare agencies;

[(2) representatives from public housing agencies;

[(3) representatives from units of general local government or consortia of such units, appointed from nominations made by the chief elected officials of such units or consortia;

[(4) representatives from the State legislature;

[(5) representatives from any State or local program that receives funding under an applicable Federal human resource program that the Governor determines to have a direct interest in the utilization of human resources within the State; and

[(6) individuals who have special knowledge and qualifications with respect to special education and career development needs of hard-to-serve individuals.

[(c) ADDITIONAL REQUIREMENTS.—

[(1) PERCENTAGE LIMITATION.—None of the following categories of individuals may constitute more than 60 percent of the membership of each State Council:

[(A) Individuals selected under subsection (a)(1).

[(B) Individuals appointed under subsection (a)(2).

[(C) Individuals appointed under subsection (a)(3)(A)(i).

[(D) Individuals appointed under subsection (a)(3)(A)(ii).

[(E) Individuals selected under subsection (b).

[(2) EXPERTISE.—The Governor shall ensure that both the State Council and the staff of the State Council have sufficient expertise to effectively carry out the duties and functions of existing State councils described under the laws relating to the applicable Federal human resource programs. Such expertise shall include, where appropriate, knowledge of—

[(A) the long-term needs of individuals preparing to enter the workforce;

[(B) the needs of local, State, and regional labor markets; and

[(C) the methods for evaluating the effectiveness of vocational training programs in serving varying populations.

[SEC. 703. ADMINISTRATION.

[(a) FUNDING.—In order to carry out the functions of the State Council, each State establishing a State Council that meets the requirements of this title may—

[(1) use funds otherwise available for State councils under the applicable Federal human resource programs;

[(2) use funds otherwise available under the applicable Federal human resource programs, consistent with the laws and regulations governing such programs, including funds available to carry out section 123(a)(2)(D), except that, with respect to the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.), such State may use funds only to the extent provided under section 112(g) of such Act; and

[(3) use funds, services, personnel, facilities and information provided by State and local public agencies, with the consent of such agencies.

[(b) PERSONNEL.—Each State Council may obtain the services of such professional, technical, and clerical personnel as may be necessary to carry out its functions.

[(c) CERTIFICATION.—Each State shall certify to the Secretary the establishment and membership of the State Council at least 90 days before the beginning of each period of 2 program years for which a job training plan is submitted under this Act.

[(d) EQUITABLE FUNDING.—Each State agency participating in a State Council under this title is encouraged to provide funds to support such Council in a manner consistent with its representation on such Council.]

ADULT EDUCATION ACT

[TITLE III—ADULT EDUCATION PROGRAMS

[SEC. 301. SHORT TITLE.

[This title may be cited as the "Adult Education Act".

[PART A—BASIC PROGRAM PROVISIONS

[SEC. 311. STATEMENT OF PURPOSE.

[It is the purpose of this title to assist the States to improve educational opportunities for adults who lack the level of literacy skills requisite to effective citizenship and productive employment, to expand and improve the current system for delivering adult education services including delivery of such services to educationally disadvantaged adults, and to encourage the establishment of adult education programs that will—

[(1) enable these adults to acquire the basic educational skills necessary for literate functioning;

[(2) provide these adults with sufficient basic education to enable them to benefit from job training and retraining programs and obtain and retain productive employment so that they might more fully enjoy the benefits and responsibilities of citizenship; and

[(3) enable adults who so desire to continue their education to at least the level of completion of secondary school.

[SEC. 312. DEFINITIONS.

[As used in this title—

[(1) The term "adult" means an individual who has attained 16 years of age or who is beyond the age of compulsory school attendance under State law, except that for the purpose of section 313(b), the term "adult" means an individual 16 years of age or older.

[(2) The term "adult education" means services or instruction below the college level for adults—

[(A) who are not enrolled in secondary school;

[(B) who lack sufficient mastery of basic educational skills to enable them to function effectively in society or who do not have a certificate of graduation from a school providing secondary education and who have not achieved an equivalent level of education;

[(C) who are not currently required to be enrolled in school; and

[(D) whose lack of mastery of basic skills results in an inability to speak, read, or write the English language which constitutes a substantial impairment of their ability to get or retain employment commensurate with their real ability, and thus are in need of programs to help eliminate such inability and raise the level of education of such individuals with a view to making them less likely to become dependent on others.

[(3) The term "educationally disadvantaged adult" means an adult who—

[(A) demonstrates basic skills equivalent to or below that of students at the fifth grade level; or

[(B) has been placed in the lowest or beginning level of an adult education program when that program does not use grade level equivalencies as a measure of students' basic skills.

[(4) The term "community school program" is a program in which a public building, including but not limited to a public elementary or secondary school or a community or junior college, is used as a community center operated in conjunction with other groups in the community, community organizations, and local governmental agencies, to provide educational, recreational, cultural, and other related community services for the community which the center serves in accordance with the needs, interest, and concerns of that community.

[(5) The term "local educational agency" means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools, except that, if there is a separate board or other legally constituted local authority having administrative control and direction of adult education in public schools therein, such term means such other board or authority.

[(6) The term "Secretary" means the Secretary of Education.

[(7) The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, Palau (until the Compact of Free Association with Palau takes effect pursuant to section 101(a) of Public Law 99–658), the Northern Mariana Islands, and the Virgin Islands.

[(8) The term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if there is a separate State agency or officer primarily responsible for supervision of adult education in public schools, then such agency or officer may be designated for the purpose of this title by the Governor or by State law. If no agency or officer qualifies under the preceding sentence, such term shall mean an appropriate agency or officer designated for the purposes of this title by the Governor.

[(9) The term "academic education" means the theoretical, the liberal, the speculative, and classical subject matter found to compose the curriculum of the public secondary school.

[(10) The term "institution of higher education" means any such institution as defined by section 481 of the Higher Education Act of 1965.

[(11) The term "individual of limited English proficiency" means an adult or out-of-school youth who has limited ability in speaking, reading, writing, or understanding the English language and—

[(A) whose native language is a language other than English; or

[(B) who lives in a family or community environment where a language other than English is the dominant language.

[(12) The term "out-of-school youth" means an individual who is under 16 years of age and beyond the age of compulsory school attendance under State law who has not completed high school or the equivalent.

[(13) The term "English literacy program" means a program of instruction designed to help limited English proficient adults, out-of-school youths, or both, achieve full competence in the English language.

[(14) The term "community-based organization" means a private nonprofit organization which is representative of a community or significant segments of a community and which provides education, vocational education or rehabilitation, job training, or internship services and programs and includes neighborhood groups and organizations, community action agencies, community development corporations, union-related organizations, employer-related organizations, tribal governments, and organizations serving Native Alaskans and Indians.

[(15) The term "private industry council" means the private industry council established under section 102 of the Job Training Partnership Act.

[SEC. 313. AUTHORIZATION OF APPROPRIATIONS; ALLOTMENTS.

[(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary for the fiscal year 1991, $260,000,000 for the fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993, 1994, and 1995 to carry out the provisions of this title (other than sections 371 and 372).

[(b) ALLOTMENT.—From the sums available for the purposes of section 311 for any fiscal year, the Secretary shall allot (1) $100,000 each to Guam, American Samoa, the Northern Mariana Islands, the Virgin Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and Palau, and (2) $250,000 to each of the other States. From the remainder of such sums the Secretary shall allot to each State an amount which bears the same ratio to such remainder as the number of adults who do not have a certificate of graduation from a school providing secondary education (or its equivalent) and who are not currently required to be enrolled in schools of such State bears to the number of such adults in all States.

[(c) REALLOTMENT.—The portion of any State's allotment under subsection (b) for a fiscal year which the Secretary determines will not be required for the period such allotment is available for carrying out the State plan approved under this title shall be available for reallotment from time to time, on such dates during such period as the Secretary shall fix, to other States in proportion to the original allotments to such States under subsection (b) for such year, but with such proportionate amount for any of such other State being reduced to the extent it exceeds the sum which the Secretary estimates such State needs and will be able to use for such period for carrying out its State plan approved under this title, and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts are not so reduced. Any amount allotted to a State under this subsection during a year shall be deemed part of its allotment under subsection (b) for such year.

[(d) RESERVATION OF FUNDS FOR NATIONAL PROGRAMS.—For any fiscal year, if the amount appropriated to carry out the purposes of this title exceeds $108,000,000, not more than $3,000,000 of such amount shall be reserved to carry out the programs described in part D, relating to national programs.

[PART B—STATE PROGRAMS

[Subpart 1—Basic State Grants

[SEC. 321. BASIC GRANTS.

[From the sums allotted to States for this subpart pursuant to section 313, the Secretary is authorized to make grants to States to assist them in funding adult education programs, services, and activities carried out by eligible recipients to achieve the purposes of this title.

[SEC. 322. USE OF FUNDS; LOCAL APPLICATIONS.

[(a) USE OF FUNDS.—

[(1) Grants to States under this subpart shall be used in accordance with State plans (and amendments thereto) approved under sections 341 and 351, to pay the Federal share of the cost of the establishment or expansion of adult education programs to be carried out by local educational agencies, correctional education agencies, community-based organizations, public or private nonprofit agencies, postsecondary educational institutions, and other institutions that have the ability to provide literacy services to adults and families. Each State educational agency receiving financial assistance under this subpart shall provide assurance that local educational agencies, public or private nonprofit agencies, community-based organizations, correctional education agencies, postsecondary educational institutions, and institutions which serve educationally disadvantaged adults will be provided direct and equitable access to all Federal funds provided under this subpart. Failure to provide the assurance required by the preceding sentence shall disqualify a State from receiving its allotment under this title. In determining which programs shall receive assistance under this paragraph, the State shall consider—

[(A) the past effectiveness of applicants in providing services (especially with respect to recruitment and retention of educationally disadvantaged adults and the learning gains demonstrated by such adults);

[(B) the degree to which the applicant will coordinate and utilize other literacy and social services available in the community; and

[(C) the commitment of the applicant to serve individuals in the community that are most in need of literacy services.

[(2) Grants to States provided under this section may also be used to carry out programs by a consortium which includes a for-profit agency, organization, or institution if such agency, organization, or institution can make a significant contribution to attaining the objectives of this Act. Whenever the establishment or expansion of programs includes a for-profit agency, organization, or institution, as part of a consortium, a contract with such agency, organization, or institution, for the establishment or expansion of such programs shall be entered into by the public or private nonprofit agency, institution, or organization.

[(3)(A) Grants to States provided under this section shall also be used for competitive 2-year grants to public housing authorities for literacy programs and related activities. Any public housing authority that receives a grant under this subparagraph shall consult with local adult education providers in conducting programs and activities with assistance provided under the grant. Any grant provided under this subparagraph shall be referred to as a "Gateway Grant".

[(B) The Secretary shall, not less often than every 2 years, evaluate any grants made under this paragraph.

[(4) Such application shall contain such information as the State educational agency considers necessary, including a description of current programs, activities, and services receiving assistance from Federal, State, and local sources; the projected goals of the applicant with respect to participant recruitment, retention, and educational achievement and how the applicant will measure and report progress in meeting its goals; cooperative arrangements (including arrangements with business, industry, and volunteer literacy organizations as appropriate) that have been made to deliver services to adults as well as assurances that adult educational programs, services, or activities provided under this title are coordinated with and not duplicative of services, programs, or activities made available to adults under other Federal, State, and local programs, including the Job Training Partnership Act, the Carl D. Perkins Vocational and Applied Technology Education Act, the Rehabilitation Act of 1973, the Individuals with Disabilities Education Act, title IX of the Elementary and Secondary Education Act of 1965, the Higher Education Act of 1965, and the Domestic Volunteer Service Act.

[(5) The State educational agency shall give preference to those applicants who have demonstrated or can demonstrate a capability to recruit and serve educationally disadvantaged adults, particularly in areas with a high proportion of adults who do not have a certificate of graduation from a school providing secondary education or its equivalent.

[(b) LIMITATIONS ON USE OF FUNDS.—

[(1) Not less than 10 percent of the funds paid to a State under subsection (a) shall be used for corrections education and education for other institutionalized individuals in accordance with subpart 2.

[(2) Not more than 20 percent of a State's allotment shall be used for programs of equivalency for a certificate of graduation from a secondary school.

[SEC. 323. LOCAL ADMINISTRATIVE COST LIMITS.

[(a) Of the funds provided by the State agency to eligible recipients, at least 95 percent must be expended for provision of adult education instructional activities. The remainder shall be used for planning, administration, personnel development, and interagency coordination.

[(b) In cases where the administrative cost limits under subsection (a) would be insufficient for adequate planning, administration, evaluation, and coordination of programs supported under this Act, the State agency shall negotiate with the local grant recipient in order to determine an adequate level of funds to be used for noninstructional purposes.

[Subpart 2—Programs for Corrections Education and Education for Other Institutionalized Individuals

[SEC. 326. PROGRAM AUTHORIZED.

[Funds set aside under section 322(b)(1) by a State shall be used for the cost of educational programs for criminal offenders in corrections institutions and for other institutionalized individuals, including—

[(1) academic programs for—

[(A) basic education with special emphasis on reading, writing, vocabulary, and arithmetic;

[(B) special education programs as defined by State law;

[(C) bilingual or English as a second language programs; and

[(D) secondary school credit programs;

[(2) vocational training programs;

[(3) library development and library service programs;

[(4) corrections education programs, training for teacher personnel specializing in corrections education, particularly courses in social education, basic skills instruction, and abnormal psychology;

[(5) guidance and counseling programs;

[(6) supportive services for criminal offenders, with special emphasis on the coordination of educational services with agencies furnishing services to criminal offenders after their release; and

[(7) cooperative programs with educational institutions, community-based organizations of demonstrated effectiveness, and the private sector, designed to provide education and training.

[(b) As used in this section, the term—

[(1) "criminal offender" means any individual who is charged with or convicted of any criminal offense; and

[(2) "correctional institution" means any—

[(A) prison,

[(B) jail,

[(C) reformatory,

[(D) work farm,

[(E) detention center, or

[(F) halfway house, community-based rehabilitation center, or any other similar institution designed for the confinement or rehabilitation of criminal offenders.

[Subpart 3—State Administrative Responsibilities

[SEC. 331. STATE ADMINISTRATION.

[(a) State Agency Responsibilities.—Any State desiring to participate in the programs authorized by this title shall designate the State educational agency to be the sole State agency responsible for the administration and supervision of such programs. The responsibilities of the State agency shall include—

[(1) the development, submission, and implementation of the State application and plan and any amendments thereto (pursuant to sections 342 and 351), and the State evaluation (pursuant to section 352);

[(2) within 2 years of the enactment of the National Literacy Act of 1991, the development and implementation, in consultation with a widely representative group of appropriate experts, educators, and administrators, of indicators of program quality to be used to evaluate programs assisted under this title, as required by section 352, to determine whether such programs are effective, including whether such programs are successfully recruiting, retaining, and improving the literacy skills of the individuals served in such programs;

[(3) consultation with the State advisory council established pursuant to section 332, and other appropriate agencies, groups, and individuals involved in the planning, administration, evaluation, and coordination of programs funded under this title; and

[(4) the assignment of such personnel as may be necessary for State administration of programs under this title.

[(b) State Imposed Requirements.—Whenever any State imposes any rule or policy relating to the administration and operation of programs funded by this title (including any rule or policy based on State interpretation of any Federal law, regulation, or guideline) the rule or policy shall be identified as a State imposed requirement.

[(c) Limitation on State Administrative Costs.—Effective for fiscal years beginning after September 30, 1990, a State educational agency may use no more than 5 percent of the State's grant or $50,000, whichever is greater, to pay the cost of its administration of the State's program.

[SEC. 332. STATE ADVISORY COUNCIL ON ADULT EDUCATION AND LITERACY.

[(a) REQUIREMENT.—(1) Any State may designate a body, or establish a new body if there is no suitable existing body, to act as a State advisory council on adult education and literacy, appointed by, and responsible to, the Governor. The membership of the State advisory council shall be broadly representative of citizens and groups within the State having an interest in adult education and literacy, and shall consist of—

[(i) representatives of public education;

[(ii) representatives of public and private sector employment;

[(iii) representatives of recognized State labor organizations;

[(iv) representatives of private literacy organizations, voluntary literacy organizations, and community-based literacy organizations;

[(v) the chief administrative officer of a State, or the designee of such officer;

[(vi) representatives of—

[(I) the State educational agency;

[(II) the State job training agency;

[(III) the State human services agency;

[(IV) the State public assistance agency;

[(V) the State library program; and

[(VI) the State economic development agency;

[(vii) officers of the State government whose agencies provide funding for literacy services or who may be designated by the Governor or the Chairperson of the council to serve whenever matters within the jurisdiction of the agency headed by such an officer are to be considered by the council; and

[(viii) classroom teachers who have demonstrated outstanding results in teaching children or adults to read.

[(2) A State which elects to designate or establish a State advisory council available for this subsection may use funds under this subpart for the purposes of this subsection.

[(b) REPRESENTATION ON COUNCIL.—The State shall ensure that there is appropriate representation on the State advisory council of urban as well as rural areas, of women, persons with handicaps, and racial and ethnic minorities.

[(c) CERTIFICATION.—The State shall certify the establishment and membership of the State advisory council to the Secretary prior to the beginning of any fiscal year in which the State desires to receive a grant under this title.

[(d) PROCEDURES.—(1) Subject to paragraphs (2) and (3), the State advisory council shall determine its own procedures, staffing needs (subject to funding levels authorized by the chief executive officer of the State), and the number, time, place, and conduct of meetings.

[(2) The State advisory council shall meet at least 4 times each year. At least 1 such meeting shall provide an opportunity for the general public to express views concerning adult education in the State.

[(3) One member more than one-half of the members on the council shall constitute a quorum for the purpose of transmitting recommendations and proposals to the chief executive officer of the State, but a lesser number of members may constitute a quorum for other purposes.

[(g) Designation of State Human Resource Investment Council under the Job Training Partnership Act.—(1) The requirements in this section shall be satisfied if a State designates the State human resource investment council established under title VII of the Job Training Partnership Act (in this subsection referred to as the "State Council") to carry out the duties described in subsection (f).

[(2) Funds under this part may be allotted to the State Council to carry out such duties and the other duties of the State Council if the Governor and the head of the State agency responsible for carrying out programs under this Act agree to such an allotment.

[(e) Terms.—Members shall be appointed for fixed and staggered terms and may serve until their successors are appointed. Any vacancy in the membership of the council shall be filled in the same manner as the original appointment. Any member of the council may be removed for cause in accordance with procedures established by the council.

[(f) Duties.—Each State advisory council shall—

[(1) meet with the State agencies responsible for literacy training during the planning year to advise on the development of a State plan for literacy and for adult education that fulfills the literacy and adult education needs of the State, especially with respect to the needs of the labor market, economic development goals, and the needs of the individuals in the State;

[(2) advise the Governor, the State educational agency, and other State agencies concerning—

[(A) the development and implementation of measurable State literacy and adult education goals consistent with section 342(c)(2), especially with respect to—

[(i) improving levels of literacy in the State by ensuring that all appropriate State agencies have specific objectives and strategies for such goals in a comprehensive approach;

[(ii) improving literacy programs in the State; and

[(iii) fulfilling the long-term literacy goals of the State;

[(B) the coordination and monitoring of State literacy training programs in order to progress toward the long-term literacy goals of the State;

[(C) the improvement of the quality of literacy programs in the State by supporting the integration of services, staff training, and technology-based learning and the integration of resources of literacy programs conducted by various agencies of State government; and

[(D) private sector initiatives that would improve adult education programs and literacy programs, especially through public-private partnerships;

[(3) review and comment on the plan submitted pursuant to section 356(h) and submit such comments to the Secretary;

[(4) measure progress on meeting the goals and objectives established pursuant to paragraph (2)(A);

[(5) recommend model systems for implementing and coordinating State literacy programs for replication at the local level;

[(6) develop reporting requirements, standards for outcomes, performance measures, and program effectiveness in State programs, that are consistent with those proposed by the Interagency Task Force on Literacy; and

[(7)(A) approve the plan for evaluations required in section 352 and participate in the implementation and dissemination of such evaluations, (B) advise the Governor, the State legislature, and the general public of the State of the findings of such evaluations, and (C) include in any report of such evaluations its comments and recommendations.

[Subpart 4—Planning and Applications

[SEC. 341. STATE PLAN AND APPLICATION.

[(a) Requirement.—Any State desiring to receive funds under this title shall submit to the Secretary, during the fiscal year 1989 and during each fourth fiscal year thereafter, a State plan and application for adult education (in one document) for the four fiscal years succeeding each fiscal year in which the State plan and application are submitted.

[(b) Procedure for Submission and Consideration.—Each State plan and application shall be submitted to the Secretary by July 1 preceding the beginning of the first fiscal year for which the plan is in effect. The Secretary shall approve, within 60 days, each such plan and application which is formulated in accordance with sections 342 and 343 and which meets the requirements of such sections, and shall not finally disapprove a State plan except after giving reasonable notice and an opportunity for a hearing to the State agency.

[(c) GEPA Provision.—Such document shall be considered to be the general application required to be submitted by the State for funds received under this Act for the purpose of the provisions of section 435 of the General Education Provisions Act.

[SEC. 342. FOUR-YEAR STATE PLAN.

[(a) Procedures Required in Formulating State Plan.—(1) In formulating the State plan, the State agency shall meet with and utilize the State advisory council, if established pursuant to section 332 of this title.

[(2) The State agency shall conduct public hearings in the State, after appropriate and sufficient notice, for the purpose of affording all segments of the public, including groups serving educationally disadvantaged adults, and interested organizations and groups an opportunity to present their views and make recommendations regarding the State plan. A summary of such recommendations and the State agency's response shall be included with the State plan submitted to the Secretary.

[(3)(A) Not less than 60 days before submission of the State plan to the Secretary under section 341, the State agency shall simultaneously submit the proposed State plan to (i) the State Board or agency for vocational education, (ii) the State Job Training Coordinating Council under the Job Training Partnership Act, and (iii) the State Board responsible for postsecondary education for review and comment. Such comments (to the extent such comments are received in a timely fashion) and the State's response shall be included with the State plan submitted to the Secretary. The Secretary shall consider such comments in reviewing such plan.

[(B) Not less than 60 days before the submission of the State plan to the Secretary, such plan shall be submitted to the State advisory council (if such a council exists). Should the State advisory council find that it has substantial disagreement with the final State plan, the Council may file timely objections with the State agency. The State agency shall respond to all substantial objections of the State advisory council in submitting such plan to the Secretary. The Secretary shall consider such comments in reviewing the State plan.

[(b) REQUIRED ASSESSMENTS.—In developing the 4-year State plan, each State shall (1) make a thorough assessment of (A) the needs of adults, including educationally disadvantaged adults, eligible to be served as well as adults proposed to be served and those served and (B) the capability of existing programs and institutions to meet those needs, and (2) state the changes and improvements required in adult education to fulfill the purposes of this title, and the options for implementing these changes and improvements.

[(c) COMPONENTS OF STATE PLAN.—Consistent with the assessments described in subsection (b) each such plan shall—

[(1) describe and provide for the fulfillment of the literacy needs of individuals in the State;

[(2) set forth measurable goals for improving literacy levels, retention in literacy programs, and long-term learning gains of individuals in the State and describe a comprehensive approach for achieving such goals, including the development of indicators of program quality as required by section 331(a)(2);

[(3) describe the curriculum, equipment, and instruments that are being used by instruction personnel and indicate how current these elements are;

[(4) describe the means by which the delivery of adult education services will be significantly expanded (including efforts to reach typically underserved groups such as educationally disadvantaged adults, individuals with limited English proficiency and individuals with handicaps) through coordination by agencies, institutions, and organizations including the public school system, businesses, labor unions, libraries, institutions of higher education, public health authorities, employment or training programs, antipoverty programs, organizations providing assistance to the homeless, and community and voluntary organizations;

[(5) describe the means by which representatives of the public and private sector are involved in the development and implementation of the plan, especially in the expansion of the delivery of adult education services by cooperation and collaboration with those public and private agencies, institutions, and organizations;

[(6) describe specialized efforts to attract and assist meaningful participation in adult education programs through flexible course schedules, provision of auxiliary aids and services, convenient locations, adequate transportation, and meeting child care needs;

[(7) provide for the needs of persons with limited English proficiency (as defined in section 7004(a) of the Elementary and Secondary Education Act of 1965 or no English proficiency by providing adequate appropriate language assistance to the extent necessary to all such persons so they may progress effectively through adult education programs;

[(8) describe how the particular educational needs of adult immigrants, the incarcerated, persons with handicaps, the chronically unemployed, the homeless, the disadvantaged, and minorities will be addressed;

[(9) describe the progress the State has made in achieving the goals set forth in each State plan subsequent to the initial State plan;

[(10) set forth the criteria the State agency will use in approving applications by eligible recipients and allocating funds made available under this title to such recipients;

[(11) describe the methods proposed for the joint planning and coordination of programs carried out under this title with those conducted under applicable Federal and State programs, including the Carl D. Perkins Vocational Education Act of 1963, Even Start, the Job Training Partnership Act, the Rehabilitation Act of 1973, the Education of the Handicapped Act, the Immigration Reform and Control Act of 1986, the Higher Education Act of 1965, and the Domestic Volunteer Service Act, to assure maximum use of funds under these Acts and to avoid duplication of services;

[(12) describe the steps taken to utilize volunteers, particularly volunteers assigned to the Literacy Corps established under the Domestic Volunteer Service Act and volunteers trained in programs carried out by section 382 of this title, but only to the extent that such volunteers supplement and do not supplant salaried employees;

[(13) describe the measures to be taken to ensure that adult education programs, services, and activities assisted under this title will take into account the findings or program reviews and evaluations carried out pursuant to section 352;

[(14) report the amount of administrative funds spent on program improvements; and

[(15) contain assurances that financial assistance provided pursuant to this title shall be used to assist and expand existing programs and to develop new programs for adults whose lack of basic skills—

[(A) renders them unemployable;

[(B) keeps them, whether employed or unemployed, from functioning independently in society; and

[(C) severely reduces their ability to have a positive effect on the literacy of their children.

[(d) LIMITED ENGLISH PROFICIENCY RULE.—Programs conducted under subsection (c)(6) shall be designed to teach English to limited

English proficient adults and, as appropriate, to allow such adults to progress effectively through the adult education program or to prepare them to enter the regular program of adult education as quickly as possible. Such programs may provide instruction in the native language, to the extent necessary, or may provide instruction exclusively in English, and shall be carried out in coordination with programs assisted under the Bilingual Education Act and with bilingual vocational education programs under the Carl D. Perkins Vocational Education Act.

[SEC. 343. STATE APPLICATIONS.

[The State application submitted pursuant to section 341 shall provide assurances—

[(1) that the State will provide such methods of administration as are necessary for the proper and efficient administration of this title;

[(2) that Federal funds made available under this title will be so used as to supplement the amount of State and local funds available for uses specified in this title, and in no case to supplant such State and local funds;

[(3) that the programs, services, and activities funded in accordance with the uses specified in section 322 are designed to expand or improve the quality of adult education programs including programs for educationally disadvantaged adults, to initiate new programs of high quality, or where necessary, to maintain programs;

[(4) that the State will provide such fiscal control and fundings accounting procedures as may be necessary to ensure proper disbursement of, and accounting for, Federal funds paid to the State (including such funds paid by the State to eligible recipients under this title); and

[(5) that the State has instituted policies and procedures to ensure that copies of the State plan and all statements of general policy, rules, regulations, and procedures will be made available to the public.

[Subpart 5—Evaluation and State Plan Amendments

[SEC. 351. STATE PLAN AMENDMENTS.

[(a) TIMELY SUBMISSION.—When changes are necessary in a State plan, the State shall submit amendments to its plan by July 1 preceding the fiscal year of operation to which the amendments apply.

[(b) CONSIDERATION BY SECRETARY.—The Secretary shall approve, within 60 days of submission, State plan amendments which meet the requirements of this section, unless such amendments propose changes that are inconsistent with the requirements and purposes of this title. The Secretary shall not finally disapprove such amendments except after giving reasonable notice and an opportunity for hearing to the State agency.

[(c) TRANSITION RULE.—Upon a written request from a State, the Secretary shall approve an extension of 1 year, from June 30, 1988, to June 30, 1989, for the revision of any plan already approved under this section for the period July 1, 1985, through June 30, 1988.

[SEC. 352. EVALUATION.

[In order to assist grant recipients receiving funds under this title to plan and operate the best possible programs of adult education, each State agency during the 4-year period of the State plan shall—

[(1) annually submit to the Secretary and make public within the State data with respect to grant recipients, including—

[(A) the number and percentage of local educational agencies, community-based organizations, volunteer groups, and other organizations that are grant recipients; and

[(B) results of the evaluations carried out as required by paragraph (2) in the year preceding the year for which the data is submitted;

[(2) evaluate 20 percent of the grant recipients each year so that at the end of such period 80 percent of all grant recipients shall have been evaluated once and such evaluations shall consider, at a minimum—

[(A) the projected goals of the grant recipient as described in its application pursuant to section 322(a)(3);

[(B) the planning and content of the program;

[(C) the curriculum, instructional materials, equipment, and qualifications of all personnel;

[(D) the success of the grant recipient in meeting the State's indicators of program quality after such indicators are developed as required by section 331(a)(2); and

[(E) other factors determined to affect program operation;

[(3) gather and analyze data (including standardized test data) to determine the extent to which the adult programs are achieving the goals set forth in the plan including the goal of serving educationally disadvantaged adults, and the extent to which grant recipients have improved their capacity to achieve the purposes of this title as set forth in section 311.

[Subpart 6—Demonstration Projects

[SEC. 353. SPECIAL EXPERIMENTAL DEMONSTRATION PROJECTS AND TEACHER TRAINING.

[(a) USE OF FUNDS.—Of the funds allotted to a State under section 313 for a fiscal year, not less than 15 percent shall be used for—

[(1) special projects which will be carried out in furtherance of the purposes of this title, which will be coordinated with other programs funded under this title and which—

[(A) involve the use of innovative methods (including methods for educating persons with handicaps, the homeless, and persons of limited English proficiency), systems, materials, or programs which may have national significance or will be of special value in promoting effective programs under this title, or

[(B) involve programs of adult education, including education for persons with handicaps, the homeless, and persons of limited English proficiency, which are part of community school programs, carried out in cooperation with other Federal, State, or local programs which have unusual promise in promoting a comprehensive or coordinated approach to the problems of persons with educational deficiencies;

[(2) training persons engaged, or preparing to engage, as personnel in programs designed to carry out the purposes of this title; and

[(3) training professional teachers, volunteers, and administrators, with particular emphasis on—

[(A) training—

[(i) full-time professional adult educators;

[(ii) minority adult educators;

[(iii) educators of adults with limited English proficiency; and

[(B) training teachers to recognize and more effectively serve illiterate individuals with learning disabilities and individuals who have a reading ability below the fifth grade level.

[(b) SPECIAL RULE.—At least ⅔ of the 15 percent reserved pursuant to subsection (a) shall be used to carry out the provisions of paragraphs (2) and (3) of subsection (a).

[Subpart 7—State Literacy Resource Centers

[SEC. 356. STATE LITERACY RESOURCE CENTERS.

[(a) PURPOSE.—It is the purpose of this section to assist State and local public and private nonprofit efforts to eliminate illiteracy through a program of State literacy resource center grants to—

[(1) stimulate the coordination of literacy services,

[(2) enhance the capacity of State and local organizations to provide literacy services, and

[(3) serve as a reciprocal link between the National Institute for Literacy and service providers for the purpose of sharing information, data, research, and expertise and literacy resources.

[(b) ESTABLISHMENT.—From amounts appropriated pursuant to subsection (k), the Secretary is authorized to make grants for purposes of establishing a network of State or regional adult literacy resource centers.

[(c) ALLOTMENT.—(1) From sums available for purposes of making grants under this section for any fiscal year, the Secretary shall allot to each State having an approved application under subsection (h) an amount that bears the same ratio to such sums as the amount allotted to such State under section 313(b) for the purpose of making grants under section 321 bears to the aggregate amount allotted to all States under such section for such purpose.

[(2) The chief executive officer of each State that receives its allotment under this section shall contract on a competitive basis with the State educational agency, 1 or more local educational agencies, a State office on literacy, a volunteer organization, a community-based organization, institution of higher education, or other nonprofit entity to operate a State literacy resource center. No applicant participating in a competition pursuant to the preceding sentence shall participate in the review of its own application.

[(d) Use of Funds.—Funds provided to each State under subsection (c)(1) to carry out this section shall be used to conduct activities to—

[(1) improve and promote the diffusion and adoption of state-of-the-art teaching methods, technologies and program evaluations;

[(2) develop innovative approaches to the coordination of literacy services within and among States and with the Federal Government;

[(3) assist public and private agencies in coordinating the delivery of literacy services;

[(4) encourage government and industry partnerships, including partnerships with small businesses, private nonprofit organizations, and community-based organizations;

[(5) encourage innovation and experimentation in literacy activities that will enhance the delivery of literacy services and address emerging problems;

[(6) provide technical and policy assistance to State and local governments and service providers to improve literacy policy and programs and access to such programs;

[(7) provide training and technical assistance to literacy instructors in reading instruction and in—

[(A) selecting and making the most effective use of state-of-the-art methodologies, instructional materials, and technologies such as—

[(i) computer assisted instruction;

[(ii) video tapes;

[(iii) interactive systems; and

[(iv) data link systems; or

[(B) assessing learning style, screening for learning disabilities, and providing individualized remedial reading instruction; or

[(8) encourage and facilitate the training of full-time professional adult educators.

[(e) Alternative Uses of Equipment.—Equipment purchases pursuant to this section, when not being used to carry out the provisions of this section, may be used for other instructional purposes if—

[(1) the acquisition of the equipment was reasonable and necessary for the purpose of conducting a properly designed project or activity under this section;

[(2) the equipment is used after regular program hours or on weekends; and

[(3) such other use is—

[(A) incidental to the use of the equipment under this section;

[(B) does not interfere with the use of the equipment under this section; and

[(C) does not add to the cost of using the equipment under this section.

[(f) Limitation.—Not more than 10 percent of amounts received under any grant received under this section shall be used to purchase computer hardware or software.

[(g) SPECIAL RULE.—(1) Each State receiving funds pursuant to this section may not use more than 5 percent of such funds to establish a State advisory council on adult education and literacy (in this section referred to as the "State council") pursuant to section 332.

[(2) Each State receiving funds pursuant to this section may use such funds to support an established State council to the extent that such State council meets the requirements of section 332.

[(3) Each State receiving funds pursuant to this paragraph to establish or support a State council pursuant to section 332 shall provide matching funds on a dollar-for-dollar basis.

[(h) APPLICATIONS.—Each State or group of States, as appropriate, that desires to receive a grant under this section for a regional adult literacy resource center, a State adult literacy resource center, or both shall submit to the Secretary an application that has been reviewed and commented on by the State council, where appropriate, and that describes how the State or group of States will—

> [(1) develop a literacy resource center or expand an existing literacy resource center;
>
> [(2) provide services and activities with the assistance provided under this section;
>
> [(3) assure access to services of the center for the maximum participation of all public and private programs and organizations providing or seeking to provide basic skills instruction, including local educational agencies, agencies responsible for corrections education, service delivery areas under the Job Training Partnership Act, welfare agencies, labor organizations, businesses, volunteer groups, and community-based organizations;
>
> [(4) address the measurable goals for improving literacy levels as set forth in the plan submitted pursuant to section 342; and
>
> [(5) develop procedures for the coordination of literacy activities for statewide and local literacy efforts conducted by public and private organizations, and for enhancing the systems of service delivery.

[(i) PAYMENTS; FEDERAL SHARE.—(1) The Secretary shall pay to each State having an application approved pursuant to subsection (h) the Federal share of the cost of the activities described in the application.

[(2) The Federal share—

> [(A) for each of the first 2 fiscal years in which the State receives funds under this section shall not exceed 80 percent;
>
> [(B) for each of the third and fourth fiscal years in which the State receives funds under this section shall not exceed 70 percent; and
>
> [(C) for the fifth and each succeeding fiscal year in which the State receives funds under this section shall not exceed 60 percent.

[(3) The non-Federal share of payments under this section may be in cash or in kind, fairly evaluated, including plant, equipment, or services.

[(j) REGIONAL CENTERS.—(1) A group of States may enter into an interstate agreement to develop and operate a regional adult literacy resource center for purposes of receiving assistance under this section if the States determine that a regional approach is more appropriate for their situation.

[(2) Any State that receives assistance under this section as part of a regional center shall only be required to provide under subsection (i) 50 percent of the funds such State would otherwise be required to provide under such subsection.

[(3) In any fiscal year in which the amount a State will receive under this section is less than $100,000, the Secretary may designate the State to receive assistance under this section only as part of a regional center.

[(4) The provisions of paragraph (3) shall not apply to any State that can demonstrate to the Secretary that the total amount of Federal, State, local and private funds expended to carry out the purposes of this section would equal or exceed $100,000.

[(5) In any fiscal year in which paragraph (2) applies, the Secretary may allow certain States that receive assistance as part of a regional center to reserve a portion of such assistance for a State adult literacy resource center pursuant to this section.

[(k) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out the provisions of this section $25,000,000 for each of the fiscal years 1992 and 1993, and such sums as may be necessary for each of the fiscal years 1994 and 1995.

[Subpart 8—Federal Share; Federal Administrative Responsibilities

[SEC. 361. PAYMENTS.

[(a) FEDERAL SHARE.—The Federal share of expenditures to carry out a State plan shall be paid from a State's allotment available for grants to that State. The Federal share shall be—

[(1) 90 percent of the cost of carrying out the State's programs for fiscal year 1988;

[(2) 85 percent of such cost for fiscal year 1990;

[(3) 80 percent of such cost for fiscal year 1991; and

[(4) 75 percent of such cost for fiscal year 1992 and for each fiscal year thereafter,

except that with respect to Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and Palau, the Federal share of such cost shall be 100 percent.

[(b) MAINTENANCE OF EFFORT.—(1) No payment may be made to any State from its allotment for any fiscal year unless the Secretary finds that the fiscal effort per student or the amount available for expenditure by such State for adult education from non-Federal sources for the second preceding fiscal year was not less than such fiscal effort per student or such amount available for expenditure for such purposes from such sources during the third preceding fiscal year.

[(2) The Secretary may waive the requirements of this subsection for 1 fiscal year only, upon making a determination that such waiver would be equitable due to exceptional or uncontrollable circumstances affecting the ability of the applicant to meet such requirements, such as a natural disaster or an unforeseen and precipitous decline in financial resources.

[(c) FEDERAL RESPONSIBILITY.—Within 1 year after the enactment of the National Literacy Act of 1991, the Secretary, in consultation with appropriate experts, educators, and administrators, shall develop indicators of program quality that may be used by State and local programs receiving assistance under this title as models by which to judge the success of such programs, including success in recruitment and retention of students and improvement in the literacy skills of students. Such indicators shall take into account different conditions under which programs operate and shall be modified as better means of assessing program quality are developed.

[PART C—WORKPLACE LITERACY AND ENGLISH LITERACY GRANTS

[SEC. 371. BUSINESS, INDUSTRY, LABOR, AND EDUCATION PARTNERSHIPS FOR WORKPLACE LITERACY.

[(a) GRANTS FOR EXEMPLARY DEMONSTRATION PARTNERSHIPS FOR WORKPLACE LITERACY.—(1) Subject to subsection (b), the Secretary, in consultation with the Secretary of Labor and the Administrator of the Small Business Administration, shall make demonstration grants to exemplary education partnerships for workplace literacy to pay the Federal share of the cost of adult education programs which teach literacy skills needed in the workplace through partnerships between—

[(A) business, industry, labor organizations, or private industry councils; and

[(B) State educational agencies, local educational agencies, institutions of higher education, or schools (including employment and training agencies or community-based organizations).

[(2) Grants under paragraph (1) may be used—

[(A) to fund 70 percent of the cost of programs which meet the requirements of paragraph (3); and

[(B) for administrative costs incurred by State educational agencies, local educational agencies, and other entities described in paragraph (1) that receive grants under this subsection in establishing programs funded under subparagraph (A).

[(3) Programs funded under paragraph (2)(A) shall be designed to improve the productivity of the workforce through improvement of literacy skills needed in the workplace by—

[(A) providing adult literacy and other basic skills services and activities;

[(B) providing adult secondary education services and activities which may lead to the completion of a high school diploma or its equivalent;

[(C) meeting the literacy needs of adults with limited English proficiency;

[(D) upgrading or updating basic skills of adult workers in accordance with changes in workplace requirements, technology, products, or processes;

[(E) improving the competency of adult workers in speaking, listening, reasoning, and problem solving; or

[(F) providing education counseling, transportation, and nonworking hours child care services to adult workers while they participate in a program funded under paragraph (2)(A).

[(4) An application to receive funding for a program out of a grant made to a partnership under this subsection shall—

[(A) be submitted jointly by—

[(i) a business, industry, or labor organization, or private industry council; and

[(ii) a State educational agency, local educational agency, institution of higher education, or school (including an area vocational school, an employment and training agency, or community-based organization);

[(B) set forth the respective roles of each member of the partnership;

[(C) contain such additional information as the Secretary may require, including evidence of the applicant's experience in providing literacy services to working adults;

[(D) describe the plan for carrying out the requirements of paragraph (3); and

[(E) provide assurances that the applicant will use the funds to supplement and not supplant funds otherwise available for the purpose of this section.

[(5) In awarding grants under this section, the Secretary shall give priority to applications from partnerships that include small businesses.

[(6) The Secretary is authorized to award grants under this section for a period not to exceed 3 years.

[(b) GRANTS TO STATES.—(1) Whenever in any fiscal year, appropriations under subsection (e) are equal to or exceed $50,000,000, the Secretary shall make grants to States which have State plans approved by the Secretary under section 342 to pay the Federal share of the cost of adult education programs which teach literacy skills needed in the workplace through partnerships between—

[(A) business, industry, or labor organizations, or private industry councils; and

[(B) State educational agencies, local educational agencies, institutions of higher education, or schools (including employment and training agencies or community-based organizations).

[(2) Grants under paragraph (1) may be used—

[(A) to fund 70 percent of the cost of programs which meet the requirements of paragraph (4);

[(B) for administrative costs incurred by State educational agencies, local educational agencies, and other entities described in paragraph (1) that receive grants under this subsection in establishing programs funded under subparagraph (A); and

[(C) for costs incurred by State educational agencies in obtaining evaluations described in paragraph (3)(A)(iii).

[(3) A State shall be eligible to receive its allotment under paragraph (7)(B) if it—

[(A) includes in a State plan submitted to the Secretary under section 342 a description of—

[(i) the requirements for State approval of funding of a program;

[(ii) the procedures under which applications for such funding may be submitted; and

[(iii) the method by which the State shall obtain annual third-party evaluation of student achievement in, and overall effectiveness of services provided by, all programs which receive funding out of a grant made to the State under this section; and

[(B) satisfies the requirements of section 306(a).

[(4) The program requirements set forth in subsection (a)(3) shall apply to the program authorized by this subsection.

[(5) An application to receive funding for a program from a grant made to a State under paragraph (1) shall contain the same information required in subparagraphs (A) through (E) of subsection (a)(4).

[(6) If a State is not eligible for a grant under paragraph (1) of this subsection, the Secretary shall use the State's allotment under paragraph (7) to make direct grants to applicants in that State who are qualified to teach literacy skills needed in the workplace.

[(7)(A) The Federal share of expenditures for programs in a State funded under this subsection shall be paid from a State's allotment under this paragraph.

[(B) From the sum appropriated for each fiscal year under subsection (c) for any fiscal year in which appropriations equal or exceed $50,000,000, the Secretary shall allot to each State (as defined in section 312(7)) an amount proportionate to the amount such State receives under section 313.

[(C) At the end of each fiscal year, the portion of any State's allotment for that fiscal year which—

[(i) exceeds 10 percent of the total allotment for the State under paragraph (2) for the fiscal year; and

[(ii) remains unobligated;

shall be reallocated among the other States in the same proportion as each State's allocation for such fiscal year under paragraph (2).

[(c) GRANT FOR NATIONAL WORKFORCE LITERACY STRATEGIES.—(1) In any fiscal year in which amounts appropriated pursuant to the authorization contained in subsection (e) equal or exceed $25,000,000, the Secretary shall reserve not more than $5,000,000 to establish a program of grants to facilitate the design and implementation of national strategies to assist unions, unions in collaboration with programs eligible for assistance under this Act and businesses, and small- and medium-sized businesses to effectively provide literacy and basic skills training to workers.

[(2) Grants awarded under this subsection shall pay the Federal share of the cost of programs to establish large-scale national strategies in workforce literacy, which may include the following activities:

[(A) Basic skills training that is—

[(i) cost-effective;

[(ii) needed by employees; and

[(iii) required by employers to establish a trainable workforce that can take advantage of further job specific training and advance the productivity of the labor force on an individual, industry, or national level.

[(B) Specific program offerings, which may include—

[(i) English as a second language instruction;

[(ii) communications skill building;

[(iii) interpersonal skill building;

[(iv) reading and writing skill building; and

[(v) computation and problem solving.

[(C) Appropriate assessments of the literacy and basic skills needs of individual workers and the skill levels required by business.

[(D) Cooperative arrangements with other organizations involved in providing literacy and basic skills training, including adult education organizations, vocational education organizations, community and junior colleges, community-based organizations, State level agencies, and private industry councils.

[(E) The establishment as appropriate of technology-based learning environments, such as computer-based learning centers.

[(3) Any partnership described in subsection (a)(1) that desires to receive a grant under this subsection shall submit a proposal to the Secretary. The proposal shall contain a plan specifying a strategy for designing and implementing workforce literacy and basic skills training for workers, and justifying the national, statewide, or industry-wide importance of this strategy. The proposal shall include—

[(A) a demonstration of need for literacy and basic skills training;

[(B) a description of the business or industry for which the strategy is to be established;

[(C) a statement of specific, measurable goals and participant outcomes;

[(D) a strategy for achieving the goals, including a description of the process to identify literacy and basic skills required by employers and the skills of individual workers, and a description of the specific services to be provided; and

[(E) a description of the costs of the activities to be undertaken.

[(4) The Secretary shall develop a formal process for the submission of proposals and publish an announcement in the Federal Register with respect to that process and the availability of grants under this subsection.

[(5) The Federal share of the cost of a program assisted under this subsection shall not exceed 70 percent.

[(6) The Secretary shall give priority for grants under this subsection to proposals to carry out activities described in paragraph (2)(D).

[(7) In awarding grants under this subsection, the Secretary may consider geographic factors, such as rural and urban areas and national distribution.

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[(8) Of the grants awarded under this subsection each year, not less than 5 shall each be for an amount that is not less than $500,000.

[(d) EVALUATION.—The Secretary shall reserve not more than 2 percent of any amount appropriated pursuant to the authorization contained in subsection (e) for the purpose of carrying out an independent evaluation of the effectiveness of programs assisted under this section in improving the literacy and basic skills of workers and the productivity of employees, including potential for the replicability or adaption of such programs.

[(e) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated for purposes of carrying out this section such sums as may be necessary for the fiscal year 1991, $60,000,000 for the fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993, 1994, and 1995.

[(2) No funds may be appropriated under paragraph (1) of this subsection for any fiscal year unless the appropriation for this Act (other than this part) for that year is equal to or greater than $110,000,000.

[(3) Amounts appropriated under this subsection shall remain available until expended.

[SEC. 372. ENGLISH LITERACY GRANTS.

[(a) GRANTS TO STATES.—(1) The Secretary may make grants to States which have State plans approved by the Secretary under section 342 for the establishment, operation, and improvement of English literacy programs for individuals of limited English proficiency. Such grants may provide for support services for program participants, including child care and transportation costs.

[(2) A State shall be eligible to receive a grant under paragraph (1) if the State includes in a State plan submitted to the Secretary under section 342 a description of—

[(A) the number of individuals of limited English proficiency in the State who need or could benefit from programs assisted under this chapter;

[(B) the activities which would be undertaken under the grant and the manner in which such activities will promote English literacy and enable individuals in the State to participate fully in national life;

[(C) how the activities described in subparagraph (B) will serve individuals of limited English proficiency, including the qualifications and training of personnel who will participate in the proposed activities;

[(D) the resources necessary to develop and operate the proposed activities and the resources to be provided by the State; and

[(E) the specific goals of the proposed activities and how achievement of these goals will be measured.

[(3) The Secretary may terminate a grant only if the Secretary determines that—

[(A) the State has not made substantial progress in achieving the specific educational goals set out in the application; or

[(B) there is no longer a need in the State for the activities funded by the grant.

[(b) Set-Aside for Community-Based Organizations.—A State that is awarded a grant under subsection (a) shall use not less than 50 percent of funds awarded under the grant to fund programs operated by community-based organizations with the demonstrated capability to administer English proficiency programs.

[(c) Report.—A State that is awarded a grant under subsection (a) shall submit to the Secretary a report describing the activities funded under the grant for each fiscal year covered by the grant.

[(d) Demonstration Program.—The Secretary, subject to the availability of funds appropriated pursuant to this section, shall directly, and through grants and contracts with public and private nonprofit agencies, institutions, and organizations, carry out a program—

[(1) through the Adult Education Division to develop innovative approaches and methods of literacy education for individuals of limited English proficiency utilizing new instructional methods and technologies; and

[(2) to designate the Center for Applied Linguistics of the Office of Educational Research and Improvement as a national clearinghouse on literacy education for individuals of limited English proficiency to collect and disseminate information concerning effective approaches or methods, including coordination with employment training and other education programs.

[(e) Evaluation and Audit.—The Secretary shall evaluate the effectiveness of programs conducted under this section. Programs funded under this section shall be audited in accordance with chapter 75 of title 31, United States Code.

[(f) Authorization of Appropriations.—(1) There are authorized to be appropriated $25,000,000 for the fiscal year 1988, $26,300,000 for the fiscal year 1989, $27,600,000 for the fiscal year 1990, $29,000,000 for the fiscal year 1991, $30,500,000 for the fiscal year 1992, and $32,000,000 for the fiscal year 1993 to carry out this section.

[(2) Funds appropriated pursuant to this section shall remain available until expended.

[(3) Funds appropriated under this subsection may be combined with other funds made available for the State by the Federal Government for literacy training for individuals with limited English proficiency.

[(4) Not more than 10 percent of funds available under this section may be used to carry out the provisions of subsection (d).

[(5) Not more than 5 percent of funds available under this section may be used for State administration, technical assistance, and training.

[SEC. 373. EDUCATION PROGRAMS FOR COMMERCIAL DRIVERS.

[(a) Program Authorized.—The Secretary is authorized to make grants on a competitive basis to pay the Federal share of the costs of establishing and operating adult education programs which increase the literacy skills of eligible commercial drivers so that such drivers may successfully complete the knowledge test requirements under the Commercial Motor Vehicle Safety Act of 1986.

[(b) Federal Share.—The Federal share of the costs of the adult education programs authorized under subsection (a) shall be 50 percent. Nothing in this subsection shall be construed to require States to meet the non-Federal share from State funds.

[(c) ELIGIBLE ENTITIES.—Entities eligible to receive a grant under this section include—

[(1) private employers employing commercial drivers in partnership with agencies, colleges, or universities described in paragraph (2);

[(2) local educational agencies, State educational agencies, colleges, universities, or community colleges;

[(3) approved apprentice training programs; and

[(4) labor organizations, the memberships of which include commercial drivers.

[(d) REFERRAL PROGRAM.—Grantees shall refer to appropriate adult education programs as authorized under this Act individuals who are identified as having literacy skill problems other than or beyond those which prevent them from successfully completing the knowledge test requirements under the Commercial Motor Vehicle Driver Safety Act of 1986.

[(e) DEFINITIONS.—For purposes of this section:

[(1) The term "approved apprentice training programs" has the meaning given such term in the National Apprenticeship Act of 1937.

[(2) The term "eligible commercial driver" means a driver licensed prior to the requirements of the Commercial Motor Vehicle Safety Act of 1986.

[(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $3,000,000 for each of fiscal years 1991, 1992, and 1993.

[PART D—NATIONAL PROGRAMS

[SEC. 381. ADULT MIGRANT FARMWORKER AND IMMIGRANT EDUCATION.

[(a) GENERAL AUTHORITY.—The Secretary is authorized to carry out a program of making grants to States and local eligible recipients to support planning, developing, and evaluating programs which are designed to provide adult education programs, services, and activities to meet the special needs of migrant farmworkers and immigrants. Programs operated from such grants shall be included in a State's plan and must conform to all requirements of programs provided for by the State's basic grant. In carrying out this section, the Secretary may enter into interagency agreements with the Secretary of Health and Human Services to conduct programs in conjunction with activities authorized under the Immigration Reform and Control Act of 1986.

[(b) PRIORITY.—In carrying out the provisions of this part, the Secretary shall from funds reserved under section 313(d) give first priority to the portion of the program described in subsection (a) for migrant farmworkers.

[SEC. 382. ADULT LITERACY VOLUNTEER TRAINING.

[(a) GENERAL AUTHORITY.—The Secretary is authorized to carry out a program of making grants to States and local eligible recipients to support planning, implementation, and evaluation of programs designed to train adult volunteers, especially the elderly, who wish to participate as tutors in local adult education programs.

[(b) PRIORITY.—In carrying out the provisions of this part the Secretary shall from funds reserved under section 313(d) give second priority to the portion of the program described in subsection (a) for adult volunteers.

[SEC. 383. STATE PROGRAM ANALYSIS ASSISTANCE AND POLICY STUDIES.

[(a) FEDERAL ASSISTANCE.—(1) The Secretary is authorized to assist States in evaluating the status and progress of adult education in achieving the purposes of this title, and activities designed to provide such assistance shall include, but are not limited to—

[(A) an analysis of State plans and of the findings of evaluations conducted pursuant to section 352, with suggestions to State agencies for improvements in planning or program operation; and

[(B) the provision of an information network (in conjunction with the National Diffusion Network) on the results of research in adult education, the operation of model or innovative programs (including efforts to continue activities and services, under the program after the Federal funding has been discontinued) successful experiences in the planning, administration, and conduct of adult education programs, advances in curriculum and instructional practices, and other information useful in the improvement of adult education.

[(2) PRIORITY.—In carrying out the provisions of this part the Secretary shall from funds reserved under section 313(d) give third priority to the portion of the program described in paragraph (1) for evaluation and research.

[(b) DETERMINATION OF LITERACY.—The Secretary, in consultation with the Congress shall, within the first 2 years after enactment of the Adult Education Amendments of 1988, make a determination of the criteria for defining literacy, taking into consideration reports prepared by the National Assessment of Educational Progress and others and shall identify concretely those skills that comprise the basic educational skills needed for literate functioning. The Secretary, once the definition of literacy has been determined, shall, in consultation with the Congress and using the appropriate statistical sampling methodology, determine an accurate estimate of the number of illiterate adults in the Nation.

[(c) REPORT ON STATUS OF LITERACY AND ADULT EDUCATION.—Subsequent to the determination of literacy and the number of illiterate individuals required in subsection (b), the Secretary shall submit a report every 4 years to the President and to the appropriate committees of the Congress on the status of literacy and adult education in the Nation.

[(d) EVALUATION REPORT.—Three years after the date of enactment of the Adult Education Amendments of 1988, and thereafter in conjunction with the report under subsection (c), the Secretary shall report to the appropriate committees of the Congress on the results of program evaluations required under this title and conclusions drawn therefrom regarding progress toward meeting the goals and purposes of this title, together with such recommendations as the Secretary may wish to make.

[SEC. 384. NATIONAL RESEARCH ACTIVITIES.

[(a) APPROVED ACTIVITIES.—The Secretary shall, through the Office of Educational Research and Improvement, support applied research, development, demonstration, dissemination, evaluation, and related activities which will contribute to the improvement and expansion of adult education in the Nation. Such activities shall include the operation of the Institute established by subsection (c) and the establishment of a national clearinghouse to compile information on literacy curriculum and resources for adults, including youth and adults of limited English proficiency and adults with handicaps. The Secretary may support such activities directly, or through grants to, or cooperative agreements with, public or private institutions, agencies, or organizations, or individuals.

[(b) RESEARCH CONCERNING SPECIAL NEEDS.—In addition to the responsibilities of the Assistant Secretary for Educational Research and Improvement under section 405 of the General Education Provisions Act, the Assistant Secretary may, with funds available under that section, with funds available under other Federal programs, or with funds set aside under section 313(d) of this title, support research on the special needs of persons requiring adult education including a study of the magnitude and nature of the needs of adults with learning disabilities who are eligible for participation in adult education programs. The Assistant Secretary may support such research directly or through grants to, or contracts or cooperative agreements with, public or private institutions, agencies, or organizations.

[(c) ESTABLISHMENT.—(1) There is established the National Institute for Literacy (in this section referred to as the "Institute"). The Institute shall be administered under the terms of an interagency agreement entered into by the Secretary with the Secretary of Labor and the Secretary of Health and Human Services (in this section referred to as the "Interagency Group"). The head of any other agency designated by the President may be involved in the operation of the Institute as fits the involvement of such agency in accomplishing the purposes of the Institute. The Secretary may include in the Institute any research and development center supported under section 405(d)(4)(A)(ii) of the General Education Provisions Act and any other center, institute, or clearinghouse established within the Department of Education whose purpose is determined by the Secretary to be related to the purpose of the Institute.

[(2) The Institute shall have offices separate from the offices of any agency or department involved in the operation of the Institute.

[(3) The Interagency Group shall consider the Board's recommendations in planning the goals of the Institute and in the implementation of any programs to achieve such goals. The daily operations of the Institute shall be carried out by the Director. If the Board's recommendations are not followed, the Interagency Group shall provide a written explanation to the Board concerning actions the Interagency Group has taken that includes the Interagency Group's reasons for not following the Board's recommendations with respect to such actions. The Board may also request a meeting with the Interagency Group to discuss the Board's recommendations.

[(d) DUTIES.—(1) The Institute is authorized, in order to improve and expand the system for delivery of literacy services, to—

[(A) assist appropriate Federal agencies in setting specific objectives and strategies for meeting the goals of this title and in measuring the progress of such agencies in meeting such goals;

[(B) conduct basic and applied research and demonstrations on literacy, including—

[(i) how adults learn to read and write and acquire other skills;

[(ii) how the literacy skills of parents affect the ability of children to learn literacy skills;

[(iii) the assessment of literacy skills and the development of instructional techniques;

[(iv) the best methods for assisting adults and families to acquire literacy skills, including the use of technology;

[(v) the special literacy needs of individuals with learning disabilities and individuals with limited English proficiency;

[(vi) how to effectively reach and teach the most educationally disadvantaged individuals;

[(vii) the use of technology and other studies which will increase the literacy knowledge base, use but not duplicate the work of other research services, and build on the efforts of such other research services; and

[(viii) how to attract, train, and retrain professional and volunteer teachers of literacy;

[(C) assist Federal, State, and local agencies in the development, implementation, and evaluation of policy with respect to literacy by—

[(i) establishing a national data base with respect to—

[(I) literacy and basic skills programs, including programs in Federal departments, State agencies, and local agencies, and programs that are privately supported through nonprofit entities and for profit entities;

[(II) assessment tools and outcome measures;

[(III) the amount and quality of basic education provided in the workplace by businesses and industries; and

[(IV) progress made toward the national literacy goals; and

[(ii) providing technical and policy assistance to government entities for the improvement of policy and programs relating to literacy and the development of model systems for implementing and coordinating Federal literacy programs that can be replicated at the State and local level;

[(D) provide program assistance, training, and technical assistance for literacy programs throughout the United States in order to improve the effectiveness of such programs and to increase the number of such programs, which assistance and training shall—

[(i) be based on the best available research and knowledge; and

[(ii) be coordinated with activities conducted by—

[(I) regional educational laboratories supported under section 405(d)(4)(A)(i) of the General Education Provisions Act;

[(II) curriculum centers assisted under section 251(a)(8) of the Carl D. Perkins Vocational and Applied Technology Education Act; and

[(III) other educational and training entities that provide relevant technical assistance;

[(E) collect and disseminate information to Federal, State, and local entities with respect to literacy methods that show great promise (including effective methods of assessment, effective literacy programs, and other information obtained through research or practice relating to adult and family learning that would increase the capacity and quality of literacy programs in the United States), using a variety of methods to ensure that the best information is received by State and local providers of literacy services;

[(F) review and make recommendations regarding—

[(i) ways to achieve uniformity among reporting requirements;

[(ii) the development of performance measures; and

[(iii) the development of standards for program effectiveness of literacy-related Federal programs; and

[(G) provide a toll-free long-distance telephone line for literacy providers and volunteers.

[(2) The Institute may enter into contracts or cooperative agreements with, or make grants to, individuals, public or private nonprofit institutions, agencies, organizations, or consortia of such institutions, agencies, or organizations to carry out the activities of the Institute. Such grants, contracts, or agreements shall be subject to the laws and regulations that generally apply to grants, contracts, or agreements entered into by Federal agencies.

[(e) Literacy Leadership.—(1) The Institute is, in consultation with the Board, authorized to award fellowships, with such stipends and allowances that the Director considers necessary, to outstanding individuals pursuing careers in adult education or literacy in the areas of instruction, management, research, or innovation.

[(2) Fellowships awarded under this subsection shall be used, under the auspices of the Institute, to engage in research, education, training, technical assistance, or other activities to advance the field of adult education or literacy, including the training of volunteer literacy providers at the national, State, or local level.

[(3) Individuals receiving fellowships pursuant to this subsection shall be known as "Literacy Leader Fellows".

[(f) National Institute Board.—(1)(A) There is established the National Institute Board (in this section referred to as the "Board"). The Board shall consist of 10 individuals appointed by the President with the advice and consent of the Senate from individuals who—

[(i) are not otherwise officers or employees of the Federal Government;

[(ii) are representative of entities or groups described in subparagraph (B); and

[(iii) are chosen from recommendations made to the President by individuals who represent such entities or groups.

[(B) Entities or groups described in this subparagraph are—

[(i) literacy organizations and providers of literacy services, including—

[(I) providers of literacy services receiving assistance under this Act; and

[(II) nonprofit providers of literacy services;

[(ii) businesses that have demonstrated interest in literacy programs;

[(iii) literacy students;

[(iv) experts in the area of literacy research;

[(v) State and local governments; and

[(vi) organized labor.

[(2) The Board shall—

[(A) make recommendations concerning the appointment of the Director and staff of the Institute;

[(B) provide independent advice on the operation of the Institute; and

[(C) receive reports from the Interagency Group and the Director.

[(3) The Interagency Group may carry out the duties of the Board until the expiration of the 180-day period beginning on the date of the enactment of the National Literacy Act of 1991.

[(4) Except as otherwise provided, the Board established by this subsection shall be subject to the provisions of the Federal Advisory Committee Act.

[(5)(A) Each member of the Board shall be appointed for a term of 3 years. Any such member may be appointed for not more than 2 consecutive terms.

[(B) Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of that members' term until a successor has taken office. A vacancy in the Board shall be filled in the manner in which the original appointment was made. A vacancy in the Board shall not affect the powers of the Board.

[(6) A majority of the members of the Board shall constitute a quorum but a lesser number may hold hearings. Any recommendation may be passed only by a majority of its members present.

[(7) The Chairperson and Vice Chairperson of the Board shall be elected by the members. The term of office of the Chairperson and Vice Chairperson shall be 2 years.

[(8) The Board shall meet at the call of the Chairperson or a majority of its members.

[(g) GIFTS, BEQUESTS, AND DEVISES.—The Institute and the Board may accept (but not solicit), use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Institute or the Board, respectively. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Treasury and shall be available for disbursement upon order of the Institute or the Board, respectively.

[(h) MAILS.—The Board and the Institute may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

[(i) STAFF.—The Interagency Group, after considering recommendations made by the Board, shall appoint and fix the pay of a Director.

[(j) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Director and staff of the Institute may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the annual rate of basic pay payable for GS–18 of the General Schedule.

[(k) EXPERTS AND CONSULTANTS.—The Board and the Institute may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

[(l) REPORT.—The Institute shall submit a report to the Congress in each of the first 2 years in which it receives assistance under this section, and shall submit a report biennially thereafter. Each report submitted under this subsection shall include—

[(1) a comprehensive and detailed description of the Institute's operations, activities, financial condition, and accomplishments in the field of literacy for such fiscal year;

[(2) a description of how plans for the operation of the Institute for the succeeding fiscal year will facilitate achievement of the goals of the Institute and the goals of the literacy programs within the Department of Education, the Department of Labor, and the Department of Health and Human Services; and

[(3) any additional minority, or dissenting views submitted by members of the Board.

[(m) NONDUPLICATION.—The Institute shall not duplicate any functions carried out by the Secretary pursuant to subsection (a) or (b). This subsection shall not be construed to prohibit the Secretary from delegating such functions to the Institute.

[(n) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated for purposes of operating the Institute established by subsection (c) $15,000,000 for each of the fiscal years 1992, 1993, 1994, 1995, and 1996.

[(2) Any amounts appropriated to the Secretary, the Secretary of Labor, the Secretary of Health and Human Services, or any other department that participates in the Institute for purposes that the Institute is authorized to perform under this section may be provided to the Institute for such purposes.

[SEC. 385. LIMITATION.

[No grant may be made under this title for any educational program, activity, or service related to sectarian instruction or religious worship, or provided by a school or department of divinity. For purposes of this section, the term "school or department of divinity" means an institution or a department or branch of an institution whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation, or to prepare them to teach theological subjects.]

TITLE III—ADULT EDUCATION AND FAMILY LITERACY PROGRAMS

SEC. 301. SHORT TITLE.

This title may be cited as the "Adult Education and Family Literacy Act".

SEC. 302. STATEMENT OF PURPOSE.

It is the purpose of this title to assist States and outlying areas to provide—

(1) to adults, the basic educational skills necessary for employment and self-sufficiency; and

(2) to adults who are parents, the educational skills necessary to be full partners in the educational development of their children.

SEC. 303. DEFINITION.

For purposes of this title:

(1) ADULT EDUCATION.—The term "adult education" means services or instruction below the postsecondary level for individuals—

(A) who have attained 16 years of age;

(B) who are not enrolled or required to be enrolled in secondary school under State law; and

(C) who—

(i) lack sufficient mastery of basic educational skills to enable the individuals to function effectively in society;

(ii) do not have a certificate of graduation from a school providing secondary education and who have not achieved an equivalent level of education; or

(iii) are unable to speak, read, or write the English language.

(2) ADULT EDUCATION AND LITERACY ACTIVITIES.—The term "adult education and literacy activities" has the meaning given such term in section 4 of the Employment, Training, and Literacy Enhancement Act.

(3) COMMUNITY-BASED ORGANIZATION.—The term "community-based organization" has the meaning given such term in section 4 of the Employment, Training, and Literacy Enhancement Act.

(4) DIRECT AND EQUITABLE ACCESS.—The term "direct and equitable access", when used with respect to the requirement in section 313(c)(2), means that—

(A) all eligible providers are given the same opportunity to apply for and receive funds under part A; and

(B) the same announcement and application process is used for all eligible providers.

(5) ELIGIBLE AGENCY.—The term "eligible agency" means—

(A) the individual, entity, or agency in a State or an outlying area responsible for administering or setting policies for adult education and literacy services in such State or outlying area pursuant to the law of the State or outlying area; or

(B) if no individual, entity, or agency is responsible for administering or setting such policies pursuant to the law of the State or outlying area, the individual, entity, or agency in a State or outlying area responsible for administering or setting policies for adult education and literacy services in such State or outlying area on the date of the enactment of the Employment, Training, and Literacy Enhancement Act of 1997.

(6) ELIGIBLE PROVIDER.—The term "eligible provider", used with respect to adult education and literacy activities described in section 314(b), means a provider determined to be eligible for assistance in accordance with section 313.

(7) ENGLISH LITERACY PROGRAM.—The term "English literacy program" has the meaning given such term in section 4 of the Employment, Training, and Literacy Enhancement Act.

(8) FAMILY LITERACY SERVICES.—The term "family literacy services" has the meaning given such term in section 4 of the Employment, Training, and Literacy Enhancement Act.

(9) INDIVIDUAL OF LIMITED ENGLISH PROFICIENCY.—The term "individual of limited English proficiency" has the meaning given such term in section 4 of the Employment, Training, and Literacy Enhancement Act.

(10) INDIVIDUAL WITH A DISABILITY.—The terms "individual with a disability" and "individuals with disabilities" have the meaning given such terms in section 4 of the Employment, Training, and Literacy Enhancement Act.

(11) LITERACY.—The term "literacy" has the meaning given such term in section 4 of the Employment, Training, and Literacy Enhancement Act.

(12) LOCAL EDUCATIONAL AGENCY.—The term "local educational agency" has the meaning given such term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

(13) OUTLYING AREA.—The term "outlying area" has the meaning given such term in section 4 of the Employment, Training, and Literacy Enhancement Act.

(14) POSTSECONDARY EDUCATIONAL INSTITUTION.—The term "postsecondary educational institution" has the meaning given such term in section 4 of the Employment, Training, and Literacy Enhancement Act.

(15) SECRETARY.—The term "Secretary" means the Secretary of Education.

(16) STATE.—The term "State" has the meaning given such term in section 4 of the Employment, Training, and Literacy Enhancement Act.

SEC. 304. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this title such sums as may be necessary for fiscal years 1998 through 2003.

(b) RESERVATION OF FUNDS FOR NATIONAL LEADERSHIP ACTIVITIES.—For any fiscal year, the Secretary shall reserve—

(1) 1.5 percent of the amount appropriated under subsection (a) (but not more than $6,500,000) to carry out section 321; and

(2) 1.5 percent of the amount appropriated under subsection (a) (but not more than $6,500,000) to establish and carry out the program of national leadership and evaluation activities described in section 322.

PART A—GRANTS TO ELIGIBLE AGENCIES

SEC. 311. AUTHORITY TO MAKE GRANTS.

(a) IN GENERAL.—In the case of each eligible agency that in accordance with section 101 of the Employment, Training, and Literacy Enhancement Act submits to the Secretary a plan, the Secretary shall make a grant for each fiscal year for which such plan is in effect to the eligible agency for the purpose specified in subsection (b). The grant shall consist of the initial and additional allotments determined for the eligible agency under section 312.

(b) PURPOSE OF GRANTS.—The Secretary may make a grant under subsection (a) only if the applicant involved agrees to expend the grant for adult education and literacy activities in accordance with the provisions of this part.

SEC. 312. ALLOTMENTS.

(a) INITIAL ALLOTMENTS.—From the sums available for the purpose of making grants under this part for any fiscal year, the Secretary shall allot to each eligible agency that in accordance with section 101 of the Employment, Training, and Literacy Enhancement Act submits to the Secretary a plan for the year an initial amount as follows:

(1) $100,000, in the case of an eligible agency of the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

(2) $250,000, in the case of any other eligible agency.

(b) ADDITIONAL ALLOTMENTS.—

(1) IN GENERAL.—From the remainder available for the purpose of making grants under this part for any fiscal year after the application of subsection (a), the Secretary shall allot to each eligible agency that receives an initial allotment under such subsection an additional amount that bears the same relationship to such remainder as the number of qualifying adults in the State or outlying area of the agency bears to the number of such adults in all States and outlying areas.

(2) QUALIFYING ADULT.—For purposes of this subsection, the term "qualifying adult" means an adult who—

(A) is at least 16 years of age, but less than 61 years of age;

(B) is beyond the age of compulsory school attendance under the law of the State or outlying area;

(C) does not have a certificate of graduation from a school providing secondary education and has not achieved an equivalent level of education; and

(D) is not currently enrolled in secondary school.

(c) SPECIAL RULE.—

(1) IN GENERAL.—*Using funds not to exceed the amount appropriated and reserved under the Adult Education Act for fiscal year 1997 for the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau, the Secretary shall award grants, from funds made available under subsections (a) and (b), to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau to carry out activities described in this part in accordance with the provisions of this part that the Secretary determines are not inconsistent with this subsection.*

(2) AWARD BASIS.—*The Secretary shall award grants pursuant to paragraph (1) on a competitive basis and pursuant to recommendations from the Pacific Region Educational Laboratory in Honolulu, Hawaii.*

(3) TERMINATION OF ELIGIBILITY.—*Notwithstanding any other provision of law, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau shall not receive any funds under this part for any fiscal year that begins after September 30, 2001.*

(4) ADMINISTRATIVE COSTS.—*The Secretary may provide not more than 5 percent of the funds made available for grants under this subsection to pay the administrative costs of the Pacific Region Educational Laboratory regarding activities assisted under this subsection.*

(d) HOLD-HARMLESS.—

(1) IN GENERAL.—*Notwithstanding subsection (a)—*

(A) for fiscal year 1998, no eligible agency shall receive an allotment that is less than 90 percent of the payments made to the State of the agency for fiscal year 1997 for programs for which funds were authorized to be appropriated under section 313 of the Adult Education Act (as such Act was in effect on the day before the date of the enactment of the Employment, Training, and Literacy Enhancement Act of 1997); and

(B) for fiscal year 1999 and each succeeding fiscal year, no eligible agency shall receive an allotment that is less than 90 percent of the amount the agency received for the preceding fiscal year for programs under this Act.

(2) RATABLE REDUCTION.—*If for any fiscal year the amount available for allotment under this section is insufficient to satisfy the provisions of paragraph (1), the Secretary shall ratably reduce the payments to all eligible agencies, as necessary.*

(e) REALLOTMENT.—*The portion of any eligible agency's allotment under subsection (a) or (b) for a fiscal year that the Secretary determines will not be required for the period such allotment is available for carrying out activities under this part, shall be available for reallotment from time to time, on such dates during such period as the Secretary shall fix, to other eligible agencies in proportion to the*

original allotments to such agencies under such subsection for such year.

SEC. 313. USE OF FUNDS.

(a) IN GENERAL.—Of the sum that is made available under this part to an eligible agency for any program year—

(1) not less than 85 percent shall be made available to award grants in accordance with this section to carry out adult education and literacy activities; and

(2) not more than 15 percent shall be made available to carry out activities described in section 314(a), of which not more than 5 percentage points, or $50,000, whichever is greater, shall be made available for administrative expenses at the State level (or the level of the outlying area).

(b) GRANTS.—

(1) IN GENERAL.—Except as provided in paragraph (2), from the amount made available to an eligible agency for adult education and literacy under subsection (a)(1) for a program year, such agency shall award grants, on a competitive basis, to local educational agencies, correctional education agencies, community-based organizations of demonstrated effectiveness, volunteer literacy organizations, libraries, public or private nonprofit agencies, postsecondary educational institutions, public housing authorities, and other nonprofit institutions, that have the ability to provide literacy services to adults and families, or consortia of agencies, organizations, or institutions described in this subsection, to enable such agencies, organizations, institutions, and consortia to carry out adult education and literacy activities.

(2) CONSORTIA.—An eligible agency may award a grant under this section to a consortium that includes a provider described in paragraph (1) and a for-profit agency, organization, or institution, if such agency, organization, or institution—

(A) can make a significant contribution to carrying out the objectives of this title; and

(B) enters into a contract with such provider to carry out adult education and literacy activities.

(c) GRANT REQUIREMENTS.—

(1) REQUIRED LOCAL ACTIVITIES.—An eligible agency shall require that each provider receiving a grant under this section use the grant in accordance with section 314(b).

(2) EQUITABLE ACCESS.—Each eligible agency awarding a grant under this section for adult education and literacy activities shall ensure that the providers described in subsection (b) will be provided direct and equitable access to all Federal funds provided under this section.

(3) SPECIAL RULE.—Each eligible agency awarding a grant under this section shall not use any funds made available under this title for adult education and literacy activities for the purpose of supporting or providing programs, services, or activities for individuals who are not individuals described in subparagraphs (A) and (B) of section 303(1), except that such agency may use such funds for such purpose if such programs, services, or activities are related to family literacy services.

(4) CONSIDERATIONS.—In awarding grants under this section, the eligible agency shall consider—

(A) the past effectiveness of a provider described in subsection (b) in providing services (especially with respect to recruitment and retention of educationally disadvantaged adults and the learning gains demonstrated by such adults);

(B) the degree to which the provider will establish measurable goals for client outcomes, such as levels of literacy achieved and the attainment of a high school diploma or its equivalent, that are tied to challenging State performance standards for literacy proficiency;

(C) the degree to which the program is staffed by well-trained instructors and administrators;

(D) the degree to which the provider will coordinate with other available resources in the community, such as by establishing strong links with elementary and secondary schools, postsecondary educational institutions, full service employment and training delivery centers, job training programs, and other literacy and social service available in the community;

(E) the commitment of the provider to serve individuals in the community who are most in need of literacy services, including individuals who are low income, who have minimal literacy skills, or both;

(F) whether or not the program is of sufficient intensity and duration for participants to achieve substantial learning gains;

(G) the degree to which the provider will offer flexible schedules and necessary support services (such as child care and transportation) to enable individuals, including individuals with disabilities or other special needs, to participate in adult education and literacy activities;

(H) whether such provider has been successful in recruiting, retaining, and improving the literacy skills of, individuals; and

(I) whether, not later than 1 year after the date of the enactment of the Employment, Training, and Literacy Enhancement Act of 1997, such provider has been successful in retraining and improving the literacy skills of individuals, consistent with the core indicators of performance set forth in section 154 of the Employment, Training, and Literacy Enhancement Act.

(d) LOCAL ADMINISTRATIVE COST LIMITS.—

(1) IN GENERAL.—Except as provided in paragraph (2), of the funds provided under this section by an eligible agency to a provider described in subsection (b), not less than 95 percent shall be expended for provision of adult education and literacy activities. The remainder shall be used for planning, administration, personnel development, and interagency coordination.

(2) SPECIAL RULE.—In cases where the cost limits described in paragraph (1) will be too restrictive to allow for adequate planning, administration, personnel development, and interagency coordination supported under this section, the eligible

agency shall negotiate with the provider described in subsection (b) in order to determine an adequate level of funds to be used for noninstructional purposes.

SEC. 314. ADULT EDUCATION AND LITERACY ACTIVITIES.

(a) Permissible Agency Activities.—An eligible agency may use funds made available to the eligible agency under section 313(a)(2) for activities that may include—

(1) the establishment or operation of professional development programs to improve the quality of instruction provided pursuant to local activities required under subsection (b), including instruction provided by volunteers or by personnel of a State or outlying area;

(2) the provision of technical assistance to eligible providers of activities authorized under this section;

(3) the provision of technology assistance, including staff training, to eligible providers of activities authorized under this section to enable the providers to improve the quality of such activities;

(4) the support of State or regional networks of literacy resource centers;

(5) the monitoring and evaluation of the quality of, and the improvement in, activities and services authorized under this section;

(6) incentives for—

(A) program coordination and integration; and

(B) performance awards;

(7) developing and disseminating curricula;

(8) other activities of statewide significance that promote the purposes of this title; and

(9) the provision of support services, such as transportation, child care, and other assistance designed to increase rates of enrollment in, and successful completion of, adult education and literacy activities, to adults enrolled in such activities.

(b) Required Local Activities.—The eligible agency shall require that each eligible provider receiving a grant under section 313 use the grant to establish or operate 1 or more programs that provide instruction or services in 1 or more of the following categories:

(1) Adult education and literacy services, including services provided on the work site.

(2) Family literacy services.

(3) English literacy programs.

(c) State-Imposed Requirements.—Whenever a State implements any rule or policy relating to the administration or operation of a program authorized under this title that has the effect of imposing a requirement that is not imposed under Federal law (including any rule or policy based on a State interpretation of a Federal statute, regulation, or guideline), it shall identify, to eligible providers, the rule or policy as being State-imposed.

SEC. 315. FISCAL REQUIREMENTS AND RESTRICTIONS RELATED TO USE OF FUNDS.

(a) Supplement not Supplant.—Funds made available under this part for adult education and literacy activities shall supple-

ment, and may not supplant, other public funds expended to carry out activities described in section 314.

(b) Maintenance of Effort.—

(1) In general.—

(A) Determination.—An eligible agency may receive funds under this Act for any fiscal year if the Secretary finds that the fiscal effort per student or the aggregate expenditures of such eligible agency for adult education and literacy, in the second preceding fiscal year, was not less than 90 percent of the fiscal effort per student or the aggregate expenditures of such eligible agency for adult education and literacy, in the third preceding fiscal year.

(B) Proportionate reduction.—Subject to paragraphs (2), (3), and (4), for any program year with respect to which the Secretary determines under subparagraph (A) that the fiscal effort and the aggregate expenditures of an eligible agency for the preceding program year were less than such effort and expenditures for the second preceding program year, the Secretary—

(i) shall determine the percentage decreases in such effort and in such expenditures; and

(ii) shall decrease the payment made under this part for such program year to the agency for adult education and literacy activities by the lesser of such percentages.

(2) Computation.—In computing the fiscal effort and aggregate expenditures under paragraph (1), the Secretary shall exclude capital expenditures and special one-time project costs.

(3) Decrease in federal support.—If the amount made available for adult education and literacy activities under this part for a fiscal year is less than the amount made available for adult education and literacy activities under this part for the preceding fiscal year, then the fiscal effort per student and the aggregate expenditures of an eligible agency required in order to avoid a reduction under paragraph (1)(B) shall be decreased by the same percentage as the percentage decrease in the amount so made available.

(4) Waiver.—The Secretary may waive the requirements of this subsection for 1 fiscal year only, if the Secretary determines that a waiver would be equitable due to exceptional or uncontrollable circumstances, such as a natural disaster or an unforeseen and precipitous decline in the financial resources of the State of the eligible agency. If the Secretary grants a waiver under the preceding sentence for a fiscal year, the level of effort required under paragraph (1) shall not be reduced in the subsequent fiscal year because of the waiver.

(c) Expenditures of Non-Federal Funds for Adult Education and Literacy Activities.—For any program year for which a grant is made to an eligible agency under this part, the eligible agency shall expend, on programs and activities relating to adult education and literacy activities, an amount, derived from sources other than the Federal Government, equal to 25 percent of the amount made available to the eligible agency under this part for adult education and literacy activities.

PART B—NATIONAL PROGRAMS

SEC. 321. NATIONAL INSTITUTE FOR LITERACY.

(a) PURPOSE.—The National Institute for Literacy shall—

(1) provide national leadership with respect to literacy in the United States;

(2) coordinate literacy services; and

(3) serve as a national resource for adult education and family literacy by providing the best and most current information available and supporting the creation of new ways to offer services of proven effectiveness.

(b) ESTABLISHMENT.—

(1) IN GENERAL.—There is established the National Institute for Literacy (in this section referred to as the "Institute"). The Institute shall be administered under the terms of an interagency agreement entered into by the Secretary of Education with the Secretary of Labor and the Secretary of Health and Human Services (in this section referred to as the "Interagency Group"). The Interagency Group may include in the Institute any research and development center, institute, or clearinghouse established within the Department of Education, the Department of Labor, or the Department of Health and Human Services whose purpose is determined by the Interagency Group to be related to the purpose of the Institute.

(2) OFFICES.—The Institute shall have offices separate from the offices of the Department of Education, the Department of Labor, and the Department of Health and Human Services.

(3) BOARD RECOMMENDATIONS.—The Interagency Group shall consider the recommendations of the National Institute for Literacy Advisory Board (in this section referred to as the "Board") established under subsection (d) in planning the goals of the Institute and in the implementation of any programs to achieve such goals.

(4) DAILY OPERATIONS.—The daily operations of the Institute shall be carried out by the Director of the Institute appointed under subsection (g).

(c) DUTIES.—

(1) IN GENERAL.—In order to provide leadership for the improvement and expansion of the system for delivery of literacy services, the Institute is authorized—

(A) to establish, and make accessible, a national electronic data base of information that disseminates information to the broadest possible audience within the literacy and basic skills field, and that includes—

(i) effective practices in the provision of literacy and basic skills instruction, including the integration of such instruction with occupational skills training;

(ii) public and private literacy and basic skills programs and Federal, State, and local policies affecting the provision of literacy services at the national, State, and local levels;

(iii) opportunities for technical assistance, meetings, conferences, and other opportunities that lead to the improvement of literacy and basic skills services; and

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(iv) a communication network for literacy programs, providers, social service agencies, and students;

(B) to coordinate support for the provision of literacy and basic skills services across Federal agencies and at the State and local levels;

(C) to coordinate the support of research and development on literacy and basic skills in families and adults across Federal agencies, especially with the Office of Educational Research and Improvement in the Department of Education, and to carry out basic and applied research and development on topics that are not being investigated by other organizations or agencies;

(D) to collect and disseminate information on methods of advancing literacy that show great promise;

(E) funding a network of State or regional adult literacy resource centers to assist State and local public and private nonprofit efforts to improve literacy by—

(i) encouraging the coordination of literacy services;

(ii) carrying out evaluations of the effectiveness of adult education and literacy activities;

(iii) enhancing the capacity of State and local organizations to provide literacy services; and

(iv) serving as a reciprocal link between the Institute and providers of adult education and literacy activities for the purpose of sharing information, data, research, expertise, and literacy resources;

(F) to coordinate and share information with national organizations and associations that are interested in literacy and workforce development;

(G) to inform the development of policy with respect to literacy and basic skills; and

(H) to undertake other activities that lead to the improvement of the Nation's literacy delivery system and that complement other such efforts being undertaken by public and private agencies and organizations.

(2) GRANTS, CONTRACTS, AND AGREEMENTS.—The Institute may make grants to, or enter into contracts or cooperative agreements with, individuals, public or private institutions, agencies, organizations, or consortia of such institutions, agencies, or organizations to carry out the activities of the Institute. Such grants, contracts, or agreements shall be subject to the laws and regulations that generally apply to grants, contracts, or agreements entered into by Federal agencies.

(d) LITERACY LEADERSHIP.—

(1) FELLOWSHIPS.—The Institute, in consultation with the Board, may award fellowships, with such stipends and allowances as the Director considers necessary, to outstanding individuals pursuing careers in adult education or literacy in the areas of instruction, management, research, or innovation.

(2) USE OF FELLOWSHIPS.—Fellowships awarded under this subsection shall be used, under the auspices of the Institute, to engage in research, education, training, technical assistance, or other activities to advance the field of adult education or lit-

eracy, including the training of volunteer literacy providers at the national, State, or local level.

(3) INTERNS AND VOLUNTEERS.—The Institute, in consultation with the Board, may award paid and unpaid internships to individuals seeking to assist the Institute in carrying out its mission. Notwithstanding section 1342 of title 31, United States Code, the Institute may accept and use voluntary and uncompensated services as the Institute determines necessary.

(e) NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD.—

(1) ESTABLISHMENT.—

(A) IN GENERAL.—There is established a National Institute for Literacy Advisory Board. The Board shall consist of 10 individuals, appointed by the Interagency Group, from individuals who—

(i) are not otherwise officers or employees of the Federal Government; and

(ii) are representative of entities or groups described in subparagraph (B).

(B) ENTITIES OR GROUPS DESCRIBED.—The entities or groups referred to in subparagraph (A) are—

(i) literacy organizations and providers of literacy services, including—

(I) nonprofit providers of literacy services;

(II) providers of programs and services involving English language instruction; and

(III) providers of services receiving assistance under this title;

(ii) businesses that have demonstrated interest in literacy programs;

(iii) literacy students;

(iv) experts in the area of literacy research;

(v) State and local governments;

(vi) representatives of employees; and

(vii) State directors of adult education.

(2) DUTIES.—The Board—

(A) shall make recommendations concerning the appointment of the Director and staff of the Institute;

(B) shall provide independent advice on the operation of the Institute; and

(C) shall receive reports from the Interagency Group and the Director.

(3) FEDERAL ADVISORY COMMITTEE ACT.—Except as otherwise provided, the Board established by this subsection shall be subject to the provisions of the Federal Advisory Committee Act (5 U.S.C. App.).

(4) TERMS.—

(A) IN GENERAL.—Each member of the Board shall be appointed for a term of 3 years, except that the initial terms for members may be 1, 2, or 3 years in order to establish a rotation in which ⅓ of the members are selected each year. Any such member may be appointed for not more than 2 consecutive terms.

(B) VACANCY APPOINTMENTS.—Any member appointed to fill a vacancy occurring before the expiration of the term for

which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of that member's term until a successor has taken office. A vacancy in the Board shall be filled in the manner in which the original appointment was made. A vacancy in the Board shall not affect the powers of the Board.

(5) QUORUM.—A majority of the members of the Board shall constitute a quorum but a lesser number may hold hearings. Any recommendation of the Board may be passed only by a majority of the Board's members present.

(6) ELECTION OF OFFICERS.—The Chairperson and Vice Chairperson of the Board shall be elected by the members of the Board. The term of office of the Chairperson and Vice Chairperson shall be 2 years.

(7) MEETINGS.—The Board shall meet at the call of the Chairperson or a majority of the members of the Board.

(f) GIFTS, BEQUESTS, AND DEVISES.—The Institute may accept, administer, and use gifts or donations of services, money, or property, both real and personal.

(g) MAILS.—The Board and the Institute may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(h) DIRECTOR.—The Interagency Group, after considering recommendations made by the Board, shall appoint and fix the pay of a Director.

(i) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Director and staff of the Institute may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the maximum rate payable under section 5376 of title 5, United States Code.

(j) EXPERTS AND CONSULTANTS.—The Board and the Institute may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(k) REPORT.—The Institute shall submit a report biennially to the committees of the United States House of Representatives and the Senate having jurisdiction over this title. Each report submitted under this subsection shall include—

(1) a comprehensive and detailed description of the Institute's operations, activities, financial condition, and accomplishments in the field of literacy for the period covered by the report;

(2) a description of how plans for the operation of the Institute for the succeeding two fiscal years will facilitate achievement of the goals of the Institute and the goals of the literacy programs within the Department of Education, the Department of Labor, and the Department of Health and Human Services; and

(3) any additional minority, or dissenting views submitted by members of the Board.

(l) FUNDING.—Any amounts appropriated to the Secretary of Education, the Secretary of Labor, or the Secretary of Health and Human Services for purposes that the Institute is authorized to perform under this section may be provided to the Institute for such purposes.

SEC. 322. NATIONAL LEADERSHIP ACTIVITIES.

The Secretary shall establish and carry out a program of national leadership activities to enhance the quality of adult education and family literacy programs nationwide. Such activities may include the following:

(1) Providing technical assistance to recipients of assistance under part A in developing and using benchmarks and performance measures for improvement of adult education and literacy activities, including family literacy services.

(2) Awarding grants, on a competitive basis, to a postsecondary educational institution, a public or private organization or agency, or a consortium of such institutions, organizations, or agencies to carry out research and technical assistance—

(A) for the purpose of developing, improving, and identifying the most successful methods and techniques for addressing the education needs of adults; and

(B) to increase the effectiveness of, and improve the quality of, adult education and literacy activities, including family literacy services.

(3) Providing for the conduct of an independent evaluation and assessment of adult education and literacy activities, through studies and analyses conducted independently through grants and contracts awarded on a competitive basis. Such evaluation and assessment shall include descriptions of—

(A) the effect of benchmarks, performance measures, and other measures of accountability on the delivery of adult education and literacy activities, including family literacy services;

(B) the extent to which the adult education and literacy activities, including family literacy services, increase the literacy skills of adults (and of children, in the case of family literacy services), lead the participants in such activities to involvement in further education and training, enhance the employment and earnings of such participants, and, if applicable, lead to other positive outcomes, such as reductions in recidivism in the case of prison-based adult education and literacy services;

(C) the extent to which the provision of support services to adults enrolled in adult education and family literacy programs increases the rates of enrollment in, and successful completion of, such programs; and

(D) the extent to which eligible agencies have distributed funds part A to meet the needs of adults through community-based organizations.

(4) Carrying out demonstration programs, replicating model programs, disseminating best practices information, and providing technical assistance, for the purposes of developing, improving, and identifying the most successful methods and techniques for providing the activities assisted under part A.

(5) Other activities designed to enhance the quality of adult education and literacy nationwide, such as providing incentive grants to States consistent with section 156 of the Employment, Training, and Literacy Enhancement Act.

NATIONAL LITERACY ACT OF 1991

AN ACT To enhance the literacy and basic skills of adults, to ensure that all adults in the United States acquire the basic skills necessary to function effectively and achieve the greatest possible opportunity in their work and in their lives, and to strengthen and coordinate adult literacy programs.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

[SECTION 1. SHORT TITLE.

[This Act may be cited as the "National Literacy Act of 1991".

[SEC. 2. FINDINGS.

[The Congress finds that—

[(1) nearly 30,000,000 adults in the United States have serious problems with literacy;

[(2) literacy problems are intergenerational and closely associated with poverty and pose a major threat to the economic well-being of the United States;

[(3) present public and private literacy programs reach only a small portion of the population in need and often result in only minimal learning gains;

[(4) the prevention of illiteracy is essential to stem further growth in national illiteracy rates;

[(5) literacy programs generally lack adequate funding, adequate coordination with other literacy programs, and an adequate investment in teacher training and technology;

[(6) access to better information about the best practices in the literacy field and more research in order to provide better diagnostic and instructional tools are essential for the improvement of literacy and employability in the United States;

[(7) as many as 50,000,000 workers may have to be trained or retrained before the year 2000;

[(8) the supply of unskilled workers is increasing while the demand for unskilled labor is decreasing;

[(9) programs under the Adult Education Act, which are the largest Federal source of direct literacy services in the United States, serve only 10 percent of eligible participants; and

[(10) all public and private literacy programs serve only about 19 percent of those who need help.

[SEC. 3. DEFINITION.

[For purposes of this Act the term "literacy" means an individual's ability to read, write, and speak in English, and compute and solve problems at levels of proficiency necessary to function on the job and in society, to achieve one's goals, and develop one's knowledge and potential.

[TITLE I—LITERACY: STRATEGIC PLANNING, RESEARCH, AND COORDINATION

[SEC. 101. LITERACY RELATED PROGRAMS IN THE DEPARTMENT OF EDUCATION.

[Section 202 of the Department of Education Organization Act (20 U.S.C. 3412) is amended by adding at the end the following:

["(h) The Assistant Secretary for Vocational and Adult Education, in addition to performing such functions as the Secretary may prescribe, shall have responsibility for coordination of all literacy related programs and policy initiatives in the Department. The Assistant Secretary for Vocational and Adult Education shall assist in coordinating the related activities and programs of other Federal departments and agencies.".

[SEC. 102. NATIONAL INSTITUTE FOR LITERACY.

[(a) PURPOSE.—It is the purpose of the amendment made by this section to enhance the national effort to eliminate the problem of illiteracy by the year 2000 by improving research, development and information dissemination through a national research center.

[(b) FINDINGS.—The Congress finds that—

[(1) much too little is known about how to improve access to, and enhance the effectiveness of, adult literacy programs, assessment tools, and evaluation efforts;

[(2) there is neither a reliable nor a central source of information about the knowledge base in the area of literacy;

[(3) a national institute for literacy would—

[(A) provide a national focal point for research, technical assistance and research dissemination, policy analysis, and program evaluation in the area of literacy; and

[(B) facilitate a pooling of ideas and expertise across fragmented programs and research efforts.

[(c) AMENDMENT TO THE ADULT EDUCATION ACT.—Section 384 of the Adult Education Act (20 U.S.C. 1213c) is amended—

[(1) in the second sentence of subsection (a), by inserting after "shall include" the following: "the operation of the Institute established by subsection (c) and"; and

[(2) by adding at the end the following:

["(c) ESTABLISHMENT.—(1) There is established the National Institute for Literacy (in this section referred to as the 'Institute'). The Institute shall be administered under the terms of an interagency agreement entered into by the Secretary with the Secretary of Labor and the Secretary of Health and Human Services (in this section referred to as the 'Interagency Group'). The head of any other agency designated by the President may be involved in the operation of the Institute as fits the involvement of such agency in accomplishing the purposes of the Institute. The Secretary may include in the Institute any research and development center supported under section 405(d)(4)(A)(ii) of the General Education Provisions Act and any other center, institute, or clearinghouse established within the Department of Education whose purpose is determined by the Secretary to be related to the purpose of the Institute.

["(2) The Institute shall have offices separate from the offices of any agency or department involved in the operation of the Institute.

["(3) The Interagency Group shall consider the Board's recommendations in planning the goals of the Institute and in the implementation of any programs to achieve such goals. The daily operations of the Institute shall be carried out by the Director. If the Board's recommendations are not followed, the Interagency Group shall provide a written explanation to the Board concerning actions the Interagency Group has taken that includes the Interagency Group's reasons for not following the Board's recommendations with respect to such actions. The Board may also request a meeting with the Interagency Group to discuss the Board's recommendations.

["(d) DUTIES.—(1) The Institute is authorized, in order to improve and expand the system for delivery of literacy services, to—

["(A) assist appropriate Federal agencies in setting specific objectives and strategies for meeting the goals of this title and in measuring the progress of such agencies in meeting such goals;

["(B) conduct basic and applied research and demonstrations on literacy, including—

["(i) how adults learn to read and write and acquire other skills;

["(ii) how the literacy skills of parents affect the ability of children to learn literacy skills;

["(iii) the assessment of literacy skills and the development of instructional techniques;

["(iv) the best methods for assisting adults and families to acquire literacy skills, including the use of technology;

["(v) the special literacy needs of individuals with learning disabilities and individuals with limited English proficiency;

["(vi) how to effectively reach and teach the most educationally disadvantaged individuals;

["(vii) the use of technology and other studies which will increase the literacy knowledge base, use but not duplicate the work of other research services, and build on the efforts of such other research services; and

["(viii) how to attract, train, and retrain professional and volunteer teachers of literacy;

["(C) assist Federal, State, and local agencies in the development, implementation, and evaluation of policy with respect to literacy by—

["(i) establishing a national data base with respect to—

["(I) literacy and basic skills programs, including programs in Federal departments, State agencies, and local agencies, and programs that are privately supported through nonprofit entities and for profit entities;

["(II) assessment tools and outcome measures;

["(III) the amount and quality of basic education provided in the workplace by businesses and industries; and

["(IV) progress made toward the national literacy goals; and

["(ii) providing technical and policy assistance to government entities for the improvement of policy and programs relating to literacy and the development of model systems for implementing and coordinating Federal literacy programs that can be replicated at the State and local level;

["(D) provide program assistance, training, and technical assistance for literacy programs throughout the United States in order to improve the effectiveness of such programs and to increase the number of such programs, which assistance and training shall—

["(i) be based on the best available research and knowledge; and

["(ii) be coordinated with activities conducted by—

["(I) regional educational laboratories supported under section 405(d)(4)(A)(i) of the General Education Provisions Act;

["(II) curriculum centers assisted under section 251(a)(8) of the Carl D. Perkins Vocational and Applied Technology Education Act; and

["(III) other educational and training entities that provide relevant technical assistance;

["(E) collect and disseminate information to Federal, State, and local entities with respect to literacy methods that show great promise (including effective methods of assessment, effective literacy programs, and other information obtained through research or practice relating to adult and family learning that would increase the capacity and quality of literacy programs in the United States), using a variety of methods to ensure that the best information is received by State and local providers of literacy services;

["(F) review and make recommendations regarding—

["(i) ways to achieve uniformity among reporting requirements;

["(ii) the development of performance measures; and

["(iii) the development of standards for program effectiveness of literacy-related Federal programs; and

["(G) provide a toll-free long-distance telephone line for literacy providers and volunteers.

["(2) The Institute may enter into contracts or cooperative agreements with, or make grants to, individuals, public or private nonprofit institutions, agencies, organizations, or consortia of such institutions, agencies, or organizations to carry out the activities of the Institute. Such grants, contracts, or agreements shall be subject to the laws and regulations that generally apply to grants, contracts, or agreements entered into by Federal agencies.

["(e) LITERACY LEADERSHIP.—(1) The Institute is, in consultation with the Board, authorized to award fellowships, with such stipends and allowances that the Director considers necessary, to outstanding individuals pursuing careers in adult education or literacy in the areas of instruction, management, research, or innovation.

[“(2) Fellowships awarded under this subsection shall be used, under the auspices of the Institute, to engage in research, education, training, technical assistance, or other activities to advance the field of adult education or literacy, including the training of volunteer literacy providers at the national, State, or local level.

[“(3) Individuals receiving fellowships pursuant to this subsection shall be known as ‘Literacy Leader Fellows’.

[“(f) NATIONAL INSTITUTE BOARD.—(1)(A) There is established the National Institute Board (in this section referred to as the ‘Board’). The Board shall consist of 10 individuals appointed by the President with the advice and consent of the Senate from individuals who—

[“(i) are not otherwise officers or employees of the Federal Government;

[“(ii) are representative of entities or groups described in subparagraph (B); and

[“(iii) are chosen from recommendations made to the President by individuals who represent such entities or groups.

[“(B) Entities or groups described in this subparagraph are—

[“(i) literacy organizations and providers of literacy services, including—

[“(I) providers of literacy services receiving assistance under this Act; and

[“(II) nonprofit providers of literacy services;

[“(ii) businesses that have demonstrated interest in literacy programs;

[“(iii) literacy students;

[“(iv) experts in the area of literacy research;

[“(v) State and local governments; and

[“(vi) organized labor.

[“(2) The Board shall—

[“(A) make recommendations concerning the appointment of the Director and staff of the Institute;

[“(B) provide independent advice on the operation of the Institute; and

[“(C) receive reports from the Interagency Group and the Director.

[“(3) The Interagency Group may carry out the duties of the Board until the expiration of the 180-day period beginning on the date of the enactment of the National Literacy Act of 1991.

[“(4) Except as otherwise provided, the Board established by this subsection shall be subject to the provisions of the Federal Advisory Committee Act.

[“(5)(A) Each member of the Board shall be appointed for a term of 3 years. Any such member may be appointed for not more than 2 consecutive terms.

[“(B) Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of that members' term until a successor has taken office. A vacancy in the Board shall be filled in the manner in which the original appointment was made. A vacancy in the Board shall not affect the powers of the Board.

[“(6) A majority of the members of the Board shall constitute a quorum but a lesser number may hold hearings. Any recommendation may be passed only by a majority of its members present.

[“(7) The Chairperson and Vice Chairperson of the Board shall be elected by the members. The term of office of the Chairperson and Vice Chairperson shall be 2 years.

[“(8) The Board shall meet at the call of the Chairperson or a majority of its members.

[“(g) GIFTS, BEQUESTS, AND DEVISES.—The Institute and the Board may accept (but not solicit), use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Institute or the Board, respectively. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Treasury and shall be available for disbursement upon order of the Institute or the Board, respectively.

[“(h) MAILS.—The Board and the Institute may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

[“(i) STAFF.—The Interagency Group, after considering recommendations made by the Board, shall appoint and fix the pay of a Director.

[“(j) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Director and staff of the Institute may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the annual rate of basic pay payable for GS–18 of the General Schedule.

[“(k) EXPERTS AND CONSULTANTS.—The Board and the Institute may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

[“(l) REPORT.—The Institute shall submit a report to the Congress in each of the first 2 years in which it receives assistance under this section, and shall submit a report biennially thereafter. Each report submitted under this subsection shall include—

[“(1) a comprehensive and detailed description of the Institute's operations, activities, financial condition, and accomplishments in the field of literacy for such fiscal year;

[“(2) a description of how plans for the operation of the Institute for the succeeding fiscal year will facilitate achievement of the goals of the Institute and the goals of the literacy programs within the Department of Education, the Department of Labor, and the Department of Health and Human Services; and

[“(3) any additional minority, or dissenting views submitted by members of the Board.

[“(m) NONDUPLICATION.—The Institute shall not duplicate any functions carried out by the Secretary pursuant to subsection (a) or (b). This subsection shall not be construed to prohibit the Secretary from delegating such functions to the Institute.

[“(n) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated for purposes of operating the Institute established by subsection (c) $15,000,000 for each of the fiscal years 1992, 1993, 1994, and 1995.

[“(2) Any amounts appropriated to the Secretary, the Secretary of Labor, the Secretary of Health and Human Services, or any other department that participates in the Institute for purposes that the Institute is authorized to perform under this section may be provided to the Institute for such purposes.”.

[SEC. 103. STATE LITERACY RESOURCE CENTERS.

[Part B of the Adult Education Act (20 U.S.C. 1203 et seq.) is amended—

[(1) by redesignating subpart 7 as subpart 8; and

[(2) by inserting after subpart 6 the following:

[“Subpart 7—State Literacy Resource Centers

[“SEC. 356. STATE LITERACY RESOURCE CENTERS.

[“(a) PURPOSE.—It is the purpose of this section to assist State and local public and private nonprofit efforts to eliminate illiteracy through a program of State literacy resource center grants to—

[“(1) stimulate the coordination of literacy services,

[“(2) enhance the capacity of State and local organizations to provide literacy services, and

[“(3) serve as a reciprocal link between the National Institute for Literacy and service providers for the purpose of sharing information, data, research, and expertise and literacy resources.

[“(b) ESTABLISHMENT.—From amounts appropriated pursuant to subsection (k), the Secretary is authorized to make grants for purposes of establishing a network of State or regional adult literacy resource centers.

[“(c) ALLOTMENT.—(1) From sums available for purposes of making grants under this section for any fiscal year, the Secretary shall allot to each State having an approved application under subsection (h) an amount that bears the same ratio to such sums as the amount allotted to such State under section 313(b) for the purpose of making grants under section 321 bears to the aggregate amount allotted to all States under such section for such purpose.

[“(2) The chief executive officer of each State that receives its allotment under this section shall contract on a competitive basis with the State educational agency, 1 or more local educational agencies, a State office on literacy, a volunteer organization, a community-based organization, institution of higher education, or other nonprofit entity to operate a State literacy resource center. No applicant participating in a competition pursuant to the preceding sentence shall participate in the review of its own application.

[“(d) USE OF FUNDS.—Funds provided to each State under subsection (c)(1) to carry out this section shall be used to conduct activities to—

[“(1) improve and promote the diffusion and adoption of state-of-the-art teaching methods, technologies and program evaluations;

[“(2) develop innovative approaches to the coordination of literacy services within and among States and with the Federal Government;

[“(3) assist public and private agencies in coordinating the delivery of literacy services;

[“(4) encourage government and industry partnerships, including partnerships with small businesses, private nonprofit organizations, and community-based organizations;

[“(5) encourage innovation and experimentation in literacy activities that will enhance the delivery of literacy services and address emerging problems;

[“(6) provide technical and policy assistance to State and local governments and service providers to improve literacy policy and programs and access to such programs;

[“(7) provide training and technical assistance to literacy instructors in reading instruction and in—

[“(A) selecting and making the most effective use of state-of-the-art methodologies, instructional materials, and technologies such as—

[“(i) computer assisted instruction;

[“(ii) video tapes;

[“(iii) interactive systems; and

[“(iv) data link systems; or

[“(B) assessing learning style, screening for learning disabilities, and providing individualized remedial reading instruction; or

[“(8) encourage and facilitate the training of full-time professional adult educators.

[“(e) ALTERNATIVE USES OF EQUIPMENT.—Equipment purchases pursuant to this section, when not being used to carry out the provisions of this section, may be used for other instructional purposes if—

[“(1) the acquisition of the equipment was reasonable and necessary for the purpose of conducting a properly designed project or activity under this section;

[“(2) the equipment is used after regular program hours or on weekends; and

[“(3) such other use is—

[“(A) incidental to the use of the equipment under this section;

[“(B) does not interfere with the use of the equipment under this section; and

[“(C) does not add to the cost of using the equipment under this section.

[“(f) LIMITATION.—Not more than 10 percent of amounts received under any grant received under this section shall be used to purchase computer hardware or software.

[“(g) SPECIAL RULE.—(1) Each State receiving funds pursuant to this section may not use more than 5 percent of such funds to establish a State advisory council on adult education and literacy (in this section referred to as the 'State council') pursuant to section 332.

["(2) Each State receiving funds pursuant to this section may use such funds to support an established State council to the extent that such State council meets the requirements of section 332.

["(3) Each State receiving funds pursuant to this paragraph to establish or support a State council pursuant to section 332 shall provide matching funds on a dollar-for-dollar basis.

["(h) APPLICATIONS.—Each State or group of States, as appropriate, that desires to receive a grant under this section for a regional adult literacy resource center, a State adult literacy resource center, or both shall submit to the Secretary an application that has been reviewed and commented on by the State council, where appropriate, and that describes how the State or group of States will—

["(1) develop a literacy resource center or expand an existing literacy resource center;

["(2) provide services and activities with the assistance provided under this section;

["(3) assure access to services of the center for the maximum participation of all public and private programs and organizations providing or seeking to provide basic skills instruction, including local educational agencies, agencies responsible for corrections education, service delivery areas under the Job Training Partnership Act, welfare agencies, labor organizations, businesses, volunteer groups, and community-based organizations;

["(4) address the measurable goals for improving literacy levels as set forth in the plan submitted pursuant to section 342; and

["(5) develop procedures for the coordination of literacy activities for statewide and local literacy efforts conducted by public and private organizations, and for enhancing the systems of service delivery.

["(i) PAYMENTS; FEDERAL SHARE.—(1) The Secretary shall pay to each State having an application approved pursuant to subsection (h) the Federal share of the cost of the activities described in the application.

["(2) The Federal share—

["(A) for each of the first 2 fiscal years in which the State receives funds under this section shall not exceed 80 percent;

["(B) for each of the third and fourth fiscal years in which the State receives funds under this section shall not exceed 70 percent; and

["(C) for the fifth and each succeeding fiscal year in which the State receives funds under this section shall not exceed 60 percent.

["(3) The non-Federal share of payments under this section may be in cash or in kind, fairly evaluated, including plant, equipment, or services.

["(j) REGIONAL CENTERS.—(1) A group of States may enter into an interstate agreement to develop and operate a regional adult literacy resource center for purposes of receiving assistance under this section if the States determine that a regional approach is more appropriate for their situation.

[“(2) Any State that receives assistance under this section as part of a regional center shall only be required to provide under subsection (i) 50 percent of the funds such State would otherwise be required to provide under such subsection.

[“(3) In any fiscal year in which the amount a State will receive under this section is less than $100,000, the Secretary may designate the State to receive assistance under this section only as part of a regional center.

[“(4) The provisions of paragraph (3) shall not apply to any State that can demonstrate to the Secretary that the total amount of Federal, State, local and private funds expended to carry out the purposes of this section would equal or exceed $100,000.

[“(5) In any fiscal year in which paragraph (2) applies, the Secretary may allow certain States that receive assistance as part of a regional center to reserve a portion of such assistance for a State adult literacy resource center pursuant to this section.

[“(k) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out the provisions of this section $25,000,000 for each of the fiscal years 1992 and 1993, and such sums as may be necessary for each of the fiscal years 1994 and 1995.”.

[TITLE II—WORKFORCE LITERACY

[SEC. 201. NATIONAL WORKFORCE LITERACY ASSISTANCE COLLABORATIVE.

[(a) ESTABLISHMENT.—There is established in the Department of Labor a National Workforce Literacy Assistance Collaborative (in this subsection referred to as the “Collaborative”) to improve the basic skills of individuals, especially those individuals who are marginally employed or unemployed with low basic skills and limited opportunity for long-term employment and advancement, by assisting small- and medium-sized businesses, business associations that represent small- and medium-sized businesses, and labor organizations to develop and implement literacy programs tailored to the needs of the workforce.

[(b) FUNCTIONS.—The Collaborative shall—

[(1) develop and implement a plan for providing small- and medium-sized businesses with the technical assistance required to address the literacy needs of their workforce;

[(2) monitor the development of workforce literacy training programs and identify best practices and successful small- and medium-sized business program models;

[(3) inform businesses and unions of research findings and best practices regarding exemplary curricula, instructional techniques, training models, and the use of technology as a training tool in the workplace;

[(4) provide technical assistance to help businesses assess individual worker literacy skill needs, implement workforce literacy training programs, and evaluate training program effectiveness;

[(5) promote cooperation and coordination among State and local agencies and the private sector to obtain maximum uses of existing literacy and basic skills training resources;

[(6) conduct regional and State small business workforce literacy meetings to increase program effectiveness and accountability;

[(7) establish cooperative arrangements with the National Institute for Literacy and other centers involved in literacy and basic skills research and development activities; and

[(8) prepare and produce written and video materials necessary to support technical assistance and information dissemination efforts.

[(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for purposes of carrying out this section $5,000,000 for each of the fiscal years 1992, 1993, 1994, and 1995.

[SEC. 202. GRANTS FOR NATIONAL WORKFORCE LITERACY STRATEGIES.

[Section 371 of the Adult Education Act (20 U.S.C. 1211) is amended—

[(1) in subsection (a)—

[(A) in paragraph (1), by inserting after "Secretary" the following: ", in consultation with the Secretary of Labor and the Administrator of the Small Business Administration,";

[(B) in subparagraph (B) of paragraph (2)—

[(i) by striking "and" and inserting a comma; and

[(ii) by inserting after "local educational agencies" the following: ", and other entities described in paragraph (1) that receive grants under this subsection"; and

[(C) by adding at the end the following:

["(5) In awarding grants under this section, the Secretary shall give priority to applications from partnerships that include small businesses.

["(6) The Secretary is authorized to award grants under this section for a period not to exceed 3 years.";

[(2) in subsection (b)—

[(A) in paragraph (1), by striking "subsection (c)" and inserting "subsection (e)";

[(B) in subparagraph (B) of paragraph (2)—

[(i) by striking "and" the first place it appears and inserting a comma; and

[(ii) by inserting after "local educational agencies" the following: ", and other entities described in paragraph (1) that receive grants under this subsection"; and

[(C) in paragraph (7), by amending subparagraph (B) to read as follows:

["(B) From the sum appropriated for each fiscal year under subsection (c) for any fiscal year in which appropriations equal or exceed $50,000,000, the Secretary shall allot to each State (as defined in section 312(7)) an amount proportionate to the amount such State receives under section 313.";

[(3) by redesignating subsection (c) as subsection (e);

[(4) by inserting after subsection (b) the following:

["(c) GRANT FOR NATIONAL WORKFORCE LITERACY STRATEGIES.—(1) In any fiscal year in which amounts appropriated pursuant to the authorization contained in subsection (e) equal or exceed $25,000,000, the Secretary shall reserve not more than $5,000,000 to establish a program of grants to facilitate the design and implementation of national strategies to assist unions, unions in collaboration with programs eligible for assistance under this Act and businesses, and small- and medium-sized businesses to effectively provide literacy and basic skills training to workers.

["(2) Grants awarded under this subsection shall pay the Federal share of the cost of programs to establish large-scale national strategies in workforce literacy, which may include the following activities:

["(A) Basic skills training that is—

["(i) cost-effective;

["(ii) needed by employees; and

["(iii) required by employers to establish a trainable workforce that can take advantage of further job specific training and advance the productivity of the labor force on an individual, industry, or national level.

["(B) Specific program offerings, which may include—

["(i) English as a second language instruction;

["(ii) communications skill building;

["(iii) interpersonal skill building;

["(iv) reading and writing skill building; and

["(v) computation and problem solving.

["(C) Appropriate assessments of the literacy and basic skills needs of individual workers and the skill levels required by business.

["(D) Cooperative arrangements with other organizations involved in providing literacy and basic skills training, including adult education organizations, vocational education organizations, community and junior colleges, community-based organizations, State level agencies, and private industry councils.

["(E) The establishment as appropriate of technology-based learning environments, such as computer-based learning centers.

["(3) Any partnership described in subsection (a)(1) that desires to receive a grant under this subsection shall submit a proposal to the Secretary. The proposal shall contain a plan specifying a strategy for designing and implementing workforce literacy and basic skills training for workers, and justifying the national, statewide, or industry-wide importance of this strategy. The proposal shall include—

["(A) a demonstration of need for literacy and basic skills training;

["(B) a description of the business or industry for which the strategy is to be established;

["(C) a statement of specific, measurable goals and participant outcomes;

["(D) a strategy for achieving the goals, including a description of the process to identify literacy and basic skills required by employers and the skills of individual workers, and a description of the specific services to be provided; and

["(E) a description of the costs of the activities to be undertaken.

["(4) The Secretary shall develop a formal process for the submission of proposals and publish an announcement in the Federal Register with respect to that process and the availability of grants under this subsection.

["(5) The Federal share of the cost of a program assisted under this subsection shall not exceed 70 percent.

["(6) The Secretary shall give priority for grants under this subsection to proposals to carry out activities described in paragraph (2)(D).

["(7) In awarding grants under this subsection, the Secretary may consider geographic factors, such as rural and urban areas and national distribution.

["(8) Of the grants awarded under this subsection each year, not less than 5 shall each be for an amount that is not less than $500,000.

["(d) Evaluation.—The Secretary shall reserve not more than 2 percent of any amount appropriated pursuant to the authorization contained in subsection (e) for the purpose of carrying out an independent evaluation of the effectiveness of programs assisted under this section in improving the literacy and basic skills of workers and the productivity of employees, including potential for the replicability or adaption of such programs."; and

[(5) in subsection (e) (as redesignated by paragraph (3)) by striking paragraph (1) and inserting the following:

["(1) There are authorized to be appropriated for purposes of carrying out this section such sums as may be necessary for the fiscal year 1991, $60,000,000 for the fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993, 1994, and 1995.".

[TITLE III—INVESTMENT IN LITERACY

[SEC. 301. AMENDMENTS TO THE ADULT EDUCATION ACT.

[(a) Authorization of Appropriations.—Section 313 of the Adult Education Act (20 U.S.C. 1201b) is amended in subsection (a) by striking "$200,000,000" and all that follows through "1993" and inserting the following: "such sums as may be necessary for the fiscal year 1991, $260,000,000 for the fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993, 1994, and 1995".

[(b) Use of Funds.—Subsection (a) of section 322 of the Adult Education Act (20 U.S.C. 1203b(a)) is amended—

[(1) by amending paragraph (1) to read as follows:

["(1) Grants to States under this subpart shall be used in accordance with State plans (and amendments thereto) approved under sections 341 and 351, to pay the Federal share of the cost of the establishment or expansion of adult education programs to be carried out by local educational agencies, correctional education agencies, community-based organizations, public or private nonprofit agencies, postsecondary educational institutions, and other institutions that have the ability to provide literacy services to adults and families. Each State educational agency receiving financial assistance under this subpart shall provide assurance that local educational agencies, public or private nonprofit agencies, community-based organizations, correctional education agencies, postsecondary educational institutions, and institutions which serve educationally disadvantaged adults will be provided direct and equitable access to all Federal funds provided under this subpart. Failure to provide the assurance required by the preceding sentence shall disqualify a State from receiving its allotment under this title. In determining which programs shall receive assistance under this paragraph, the State shall consider—

[“(A) the past effectiveness of applicants in providing services (especially with respect to recruitment and retention of educationally disadvantaged adults and the learning gains demonstrated by such adults);

[“(B) the degree to which the applicant will coordinate and utilize other literacy and social services available in the community; and

[“(C) the commitment of the applicant to serve individuals in the community that are most in need of literacy services.”;

[(2) in paragraph (3)—

[(A) by striking the first sentence;

[(B) by inserting after “sources;” the following: “the projected goals of the applicant with respect to participant recruitment, retention, and educational achievement and how the applicant will measure and report progress in meeting its goals;”;

[(C) by striking “the Carl D. Perkins Vocational Education Act” and inserting “the Carl D. Perkins Vocational and Applied Technology Education Act”; and

[(D) by striking “the Education of the Handicapped Act” and inserting “the Individuals with Disabilities Education Act”;

[(3) in paragraph (4)—

[(A) by striking “(A)”;

[(B) by inserting after “adults” the following: “, particularly in areas with a high proportion of adults who do not have a certificate of graduation from a school providing secondary education or its equivalent”; and

[(C) by striking subparagraph (B);

[(4) by redesignating paragraphs (3) and (4) (as amended by paragraphs (2) and (3) of this subsection) as paragraphs (4) and (5), respectively; and

[(5) by inserting after paragraph (2) the following:

[“(3)(A) Grants to States provided under this section shall also be used for competitive 2-year grants to public housing authorities for literacy programs and related activities. Any public housing authority that receives a grant under this subparagraph shall consult with local adult education providers in conducting programs and activities with assistance provided under the grant. Any grant provided under this subparagraph shall be referred to as a 'Gateway Grant'.

["(B) The Secretary shall, not less often than every 2 years, evaluate any grants made under this paragraph and report the results of such evaluation to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate.".

[(c) STATE ADMINISTRATION.—Section 331(a) of the Adult Education Act (20 U.S.C. 1205(a)) is amended—

[(1) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

[(2) by inserting after paragraph (1) the following:

["(2) within 2 years of the enactment of the National Literacy Act of 1991, the development and implementation, in consultation with a widely representative group of appropriate experts, educators, and administrators, of indicators of program quality to be used to evaluate programs assisted under this title, as required by section 352, to determine whether such programs are effective, including whether such programs are successfully recruiting, retaining, and improving the literacy skills of the individuals served in such programs;".

[(d) STATE ADVISORY COUNCIL.—(1) The heading for section 332 of the Adult Education Act is amended to read as follows:

["SEC. 332. STATE ADVISORY COUNCIL ON ADULT EDUCATION AND LITERACY.".

[(2) Section 332 of the Adult Education Act (20 U.S.C. 1205a) is amended—

[(A) in the first sentence of subsection (a)(1), by striking "adult education, appointed by the Governor" and inserting "adult education and literacy, appointed by, and responsible to, the Governor";

[(B) in the second sentence of subsection (a)(1)—

[(i) by inserting "and literacy" after "adult education"; and

[(ii) by striking "consist" and all that follows through the period at the end and inserting the following: "consist of—

["(i) representatives of public education;

["(ii) representatives of public and private sector employment;

["(iii) representatives of recognized State labor organizations;

["(iv) representatives of private literacy organizations, voluntary literacy organizations, and community-based literacy organizations;

["(v) the chief administrative officer of a State, or the designee of such officer;

["(vi) representatives of—

["(I) the State educational agency;

["(II) the State job training agency;

["(III) the State human services agency;

["(IV) the State public assistance agency;

["(V) the State library program; and

["(VI) the State economic development agency;

["(vii) officers of the State government whose agencies provide funding for literacy services or who may be designated by the Governor or the Chairperson of the council to serve whenever matters within the jurisdiction of the agency headed by such an officer are to be considered by the council; and

["(viii) classroom teachers who have demonstrated outstanding results in teaching children or adults to read.";

[(C) by amending subsection (d) to read as follows:

["(d) PROCEDURES.—(1) Subject to paragraphs (2) and (3), the State advisory council shall determine its own procedures, staffing needs (subject to funding levels authorized by the chief executive officer of the State), and the number, time, place, and conduct of meetings.

["(2) The State advisory council shall meet at least 4 times each year. At least 1 such meeting shall provide an opportunity for the general public to express views concerning adult education in the State.

["(3) One member more than one-half of the members on the council shall constitute a quorum for the purpose of transmitting recommendations and proposals to the chief executive officer of the State, but a lesser number of members may constitute a quorum for other purposes.";

[(D) in subsection (f)—

[(i) by amending paragraph (1) to read as follows:

["(1) meet with the State agencies responsible for literacy training during the planning year to advise on the development of a State plan for literacy and for adult education that fulfills the literacy and adult education needs of the State, especially with respect to the needs of the labor market, economic development goals, and the needs of the individuals in the State;";

[(ii) by amending paragraph (2) to read as follows:

["(2) advise the Governor, the State educational agency, and other State agencies concerning—

["(A) the development and implementation of measurable State literacy and adult education goals consistent with section 342(c)(2), especially with respect to—

["(i) improving levels of literacy in the State by ensuring that all appropriate State agencies have specific objectives and strategies for such goals in a comprehensive approach;

["(ii) improving literacy programs in the State; and

["(iii) fulfilling the long-term literacy goals of the State;

["(B) the coordination and monitoring of State literacy training programs in order to progress toward the long-term literacy goals of the State;

["(C) the improvement of the quality of literacy programs in the State by supporting the integration of services, staff training, and technology-based learning and the integration of resources of literacy programs conducted by various agencies of State government; and

[“(D) private sector initiatives that would improve adult education programs and literacy programs, especially through public-private partnerships;”;

[(iii) by redesignating paragraph (3) as paragraph (7); and

[(iv) by inserting after paragraph (2) the following:

[“(3) review and comment on the plan submitted pursuant to section 356(h) and submit such comments to the Secretary;

[“(4) measure progress on meeting the goals and objectives established pursuant to paragraph (2)(A);

[“(5) recommend model systems for implementing and coordinating State literacy programs for replication at the local level;

[“(6) develop reporting requirements, standards for outcomes, performance measures, and program effectiveness in State programs, that are consistent with those proposed by the Interagency Task Force on Literacy; and”.

[(e) STATE PLAN.—Subsection (c) of section 342 of the Adult Education Act (20 U.S.C. 1206a) is amended—

[(1) by amending paragraph (1) to read as follows:

[“(1) describe and provide for the fulfillment of the literacy needs of individuals in the State;”;

[(2) by striking paragraph (9);

[(3) by redesignating paragraphs (2) through (8) as paragraphs (3) through (9), respectively;

[(4) by inserting after paragraph (1) the following:

[“(2) set forth measurable goals for improving literacy levels, retention in literacy programs, and long-term learning gains of individuals in the State and describe a comprehensive approach for achieving such goals, including the development of indicators of program quality as required by section 331(a)(2);”;

[(5) in paragraph (4) (as redesignated by paragraph (3) of this section)—

[(A) by striking “the use of” and inserting “coordination by”;

[(B) by striking “other than” and inserting “including”; and

[(C) by striking “such as” the second place such term appears;

[(6) by striking “and” at the end of paragraph (12);

[(7) by striking the period at the end of paragraph (13) and inserting a semicolon; and

[(8) by adding at the end the following:

[“(14) report the amount of administrative funds spent on program improvements; and

[“(15) contain assurances that financial assistance provided pursuant to this title shall be used to assist and expand existing programs and to develop new programs for adults whose lack of basic skills—

[“(A) renders them unemployable;

[“(B) keeps them, whether employed or unemployed, from functioning independently in society; and

[“(C) severely reduces their ability to have a positive effect on the literacy of their children.”.

[(f) Evaluation.—Section 352 of the Adult Education Act (20 U.S.C. 1207a) is amended—

[(1) in paragraph 1—

[(A) by striking "data to the Secretary" and inserting the following: "to the Secretary and make public within the State data";

[(B) by inserting before the semicolon the following: ", including—

["(A) the number and percentage of local educational agencies, community-based organizations, volunteer groups, and other organizations that are grant recipients; and

["(B) results of the evaluations carried out as required by paragraph (2) in the year preceding the year for which the data is submitted";

[(2) in paragraph (2)—

[(A) by striking "before the end" and all that follows through "shall consider" and inserting the following: "evaluate 20 percent of the grant recipients each year so that at the end of such period 80 percent of all grant recipients shall have been evaluated once and such evaluations shall consider, at a minimum";

[(B) by redesignating subparagraphs (A) through (D) as subparagraphs (B) through (E), respectively;

[(C) by inserting before subparagraph (B) (as redesignated by subparagraph (B) of this paragraph) the following:

["(A) the projected goals of the grant recipient as described in its application pursuant to section 322(a)(3);";

[(D) by amending subparagraph (D) (as redesignated by subparagraph (B) of this paragraph) to read as follows:

["(D) the success of the grant recipient in meeting the State's indicators of program quality after such indicators are developed as required by section 331(a)(2); and"; and

[(E) by striking "and" at the end.

[(g) Teacher Training.—(1) Subsection (a) of section 353 of the Adult Education Act (20 U.S.C. 1208(a)) is amended—

[(A) by striking "and" at the end of paragraph (1);

[(B) by striking the period at the end of paragraph (2) and inserting "; and"; and

[(C) by adding at the end the following:

["(3) training professional teachers, volunteers, and administrators, with particular emphasis on—

["(A) training—

["(i) full-time professional adult educators;

["(ii) minority adult educators;

["(iii) educators of adults with limited English proficiency; and

["(B) training teachers to recognize and more effectively serve illiterate individuals with learning disabilities and individuals who have a reading ability below the fifth grade level.".

[(2) Section 353 of the Adult Education Act (as amended by paragraph (1) of this subsection) (20 U.S.C. 1208) is amended—

[(A) in subsection (a), by striking "10" and inserting "15"; and

[(B) by amending subsection (b) to read as follows:

["(b) SPECIAL RULE.—At least ⅔ of the 15 percent reserved pursuant to subsection (a) shall be used to carry out the provisions of paragraphs (2) and (3) of subsection (a).".

[(h) FEDERAL RESPONSIBILITY.—Section 361 of the Adult Education Act (20 U.S.C. 1209) is amended by adding at the end the following:

["(c) FEDERAL RESPONSIBILITY.—Within 1 year after the enactment of the National Literacy Act of 1991, the Secretary, in consultation with appropriate experts, educators, and administrators, shall develop indicators of program quality that may be used by State and local programs receiving assistance under this title as models by which to judge the success of such programs, including success in recruitment and retention of students and improvement in the literacy skills of students. Such indicators shall take into account different conditions under which programs operate and shall be modified as better means of assessing program quality are developed.".

[SEC. 302. TARGETED ASSISTANCE.

[Section 1531(b) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2941) is amended by—

[(1) redesignating paragraphs (5) and (6) as paragraphs (6) and (7), respectively; and

[(2) inserting the following new paragraph (5) after paragraph (4):

["(5) programs of training to enhance the ability of teachers and school counselors to identify, particularly in the early grades, students with reading and reading-related problems that place such students at risk for illiteracy in their adult years;".

[SEC. 303. AMENDMENTS TO THE EVEN START PROGRAM.

[(a) AMENDMENT TO PART HEADING.—The heading for part B of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2741 et seq.) is amended to read as follows:

["PART B—EVEN START FAMILY LITERACY PROGRAMS".

[(b) STATE GRANT PROGRAM.—Section 1052 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2742) is amended—

[(1) in subsection (a), by striking "local educational agencies or consortia of such agencies" and inserting "eligible entities";

[(2) in subsection (b)—

[(A) by inserting "(1)" before "In"; and

[(B) by adding at the end the following:

["(2) In any fiscal year in which this subsection applies, no State shall award a grant under this part for an amount less than $75,000.

["(3) In any year in which this subsection applies, each State that receives a grant under this part may use not more than 5 percent of assistance provided under the grant for costs of—

["(A) administration; and

["(B) the provision, through grant or contract, of technical assistance for program improvement and replication to eligible entities that receive grants under this part.";

[(3) by redesignating subsection (c) as subsection (d);

[(4) by inserting after subsection (b) the following new subsection:

["(c) RESERVATION.—From amounts appropriated for purposes of carrying out this part, the Secretary may reserve an amount equal to not more than 2 percent of such amounts or the amount reserved for such purposes in the fiscal year 1991, whichever is greater, for purposes of—

["(1) carrying out the evaluation required by section 1058; and

["(2) providing, through grant or contract, technical assistance for program improvement and replication to eligible entities that receive grants under this part."; and

[(5) by amending subsection (d) (as redesignated by paragraph (3)) to read as follows:

["(d) DEFINITIONS.—For the purpose of this part:

["(1) The term 'eligible entity' means—

["(A) a local educational agency applying in collaboration with a community-based organization, public agency, institution of higher education, or other nonprofit organization; or

["(B) a community-based organization, or other nonprofit organization of demonstrated quality applying in collaboration with a local educational agency.

["(2) The terms 'Indian tribe' and 'tribal organization' have the respective meanings given such terms in section 4 of the Indian Self-Determination and Education Assistance Act.

["(3) The term 'State' includes each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.".

[(c) ALLOCATION.—Subsection (a) of section 1053 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2743) is amended to read as follows:

["(a) RESERVATION FOR MIGRANT PROGRAMS AND TERRITORIES.—(1) In each fiscal year in which section 1052(a) applies, the Secretary shall first reserve for programs consistent with the purpose of this part—

["(A) for programs for migrant children, which shall be conducted through the Office of Migrant Education, an amount equal to 3 percent of the amount appropriated for purposes of carrying out this part; and

["(B) for allocations to Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, and Palau (until the Compact of Free Association with Palau takes effect pursuant to section 101(a) of Public Law 99-658), and to Indian tribes and tribal organizations, an amount comparable to their relative need.

[“(2) In each fiscal year in which section 1052(b) applies, the Secretary shall first reserve for programs consistent with the purpose of this part, an amount equal to 5 percent of the amount appropriated for purposes of carrying out this part, of which—

[“(A) amounts shall be allocated for programs for migrant children, Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, and Palau (until the Compact of Free Association with Palau takes effect pursuant to section 101(a) of Public Law 99–658), and Indian tribes and tribal organizations, according to their relative need; but

[“(B) in no case shall the amount reserved for programs for migrant children be less than the amount reserved for such programs in the preceding fiscal year.”.

[(d) Federal Share Limitation.—Section 1054 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2744) is amended—

[(1) in subsection (a), by striking “local educational agencies” and all that follows through “nonprofit organizations,” and inserting “an eligible entity”;

[(2) in paragraph (2) of subsection (b), by inserting after “counseling,” the following: “other developmental and support services,”; and

[(3) in subsection (c)—

[(A) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively;

[(B) by inserting “(1)” before “The Federal share”;

[(C) in subparagraph (A) (as redesignated by subparagraph (A) of this paragraph), by striking “local educational agency” and inserting “eligible entity”;

[(D) by striking the last sentence and inserting the following: “The remaining cost may be provided in cash or in kind, fairly evaluated, and may be obtained from any source other than funds made available for programs under this chapter.”; and

[(E) by adding at the end the following:

[“(2) The Secretary (in any fiscal year in which section 1052(a) applies) or the State educational agency (in any fiscal year in which section 1052(b) applies) may waive, in whole or in part, the requirement that all or part of the remaining cost described in paragraph (1) be obtained from sources other than funds made available under this chapter if an eligible entity—

[“(A) demonstrates that it otherwise would not be able to participate in the program under this part; and

[“(B) negotiates an agreement with the Secretary or the State educational agency, as appropriate, with respect to the amount of the remaining cost to which the waiver would be applicable.”.

[(e) Eligible Participants.—Section 1055 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2745) is amended—

[(1) by striking “Eligible” and inserting the following: “(a) In General.—Except as provided in subsection (b), eligible”;

[(2) in paragraph (2) of subsection (a) (as designated by paragraph (1)), by striking "(aged 1 to 7," and inserting "(from birth to age 7,"; and

[(3) by adding at the end the following:

["(b) CONTINUATION OF ELIGIBILITY FOR CERTAIN PARTICIPANTS.—Any family participating in the program under this part that becomes ineligible for such participation as a result of 1 or more members of the family becoming ineligible for such participation, may continue to participate in the program until all members of the family become ineligible for participation, which—

["(1) in the case of a family in which ineligibility was due to the child or children of such family attaining the age of 8, shall be when the parent or parents become ineligible due to educational advancement; and

["(2) in the case of a family in which ineligibility was due to the educational advancement of the parent or parents of such family, shall be when all children in the family attain the age of 8.".

[(f) APPLICATIONS.—Section 1056 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2746) is amended—

[(1) in subsection (a), by striking "a local educational agency" and inserting "an eligible entity"; and

[(2) in subsection (b), by striking "the local educational agency" and inserting "the eligible entity".

[(g) SELECTION PROCESS.—Section 1057 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2747) is amended—

[(1) in subsection (a)—

[(A) by redesignating paragraphs (1) through (7) as subparagraphs (A) through (G), respectively;

[(B) by inserting "(1)" before "The";

[(C) in paragraph (1) (as designated by subparagraph (B) of this paragraph)—

[(i) by amending subparagraph (B) (as redesignated by subparagraph (A) of this paragraph) to read as follows:

["(B) demonstrate that the area to be served by such program has a high percentage or a large number of children and adults who are in need of such services as indicated by high levels of poverty, illiteracy, unemployment, limited English proficiency, or other need-related indicators;";

[(ii) in subparagraph (E) (as redesignated by subparagraph (A) of this paragraph), by striking "the local educational agency's" and inserting "the eligible entity's"; and

[(iii) by adding at the end the following:

["(2) The review panel shall give priority for grants under this subsection to proposals which—

["(A) make the demonstration described in paragraph (1)(B); and

["(B) demonstrate an ability to operate an effective program.";

[(2) by amending subsection (c) to read as follows:

["(c) DISTRIBUTION OF ASSISTANCE.—(1) In approving grants under this part pursuant to section 1052(a), the Secretary shall ensure a representative distribution of assistance among the States and among urban and rural areas of the United States.

[“(2) In approving grants under this part pursuant to section 1052(b), the review panel shall ensure a representative distribution of assistance between urban and rural areas of the State.”; and

[(3) in paragraph (1) of subsection (d)—

[(A) by striking “a local educational agency” and inserting “an eligible entity”; and

[(B) by striking “such local educational agency” and inserting “such eligible entity”.

[(h) AUTHORIZATION OF APPROPRIATIONS.—Section 1059 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2749) is amended to read as follows:

[“SEC. 1059. AUTHORIZATION OF APPROPRIATIONS.

[“There are authorized to be appropriated for purposes of carrying out this part such sums as may be necessary for the fiscal year 1991, $100,000,000 for the fiscal year 1992, and such sums as may be necessary for the fiscal year 1993.”.

[SEC. 304. FAMILY LITERACY PUBLIC BROADCASTING PROGRAM.

[(a) PROGRAM AUTHORIZED.—(1) The Secretary is authorized, subject to the availability of appropriations, to enter into a contract with the Corporation for Public Broadcasting to arrange for the production and dissemination of family literacy programming and accompanying materials which would assist parents in improving family literacy skills and language development. In producing and developing such programming, the Corporation for Public Broadcasting shall work in cooperation with local public broadcasting stations to avoid duplication of efforts.

[(2) After the program described in paragraph (1) is produced, the Corporation for Public Broadcasting shall arrange to have audio and video instructional media materials for distribution at sites chosen from among—

[(A) State and local libraries operating literacy programs, and

[(B) nonprofit entities serving hard-to-serve populations as defined in section 304(b)(2), including community-based organizations, volunteer organizations and other nongovernmental entities.

[(3) The audio and video instructional media materials described in paragraph (2) shall be used at sites described in paragraph (2), and on a loan basis, distributed to families.

[(4) One year after distribution of the audio and video instructional media materials, the Corporation for Public Broadcasting shall report to the Congress on the distribution and use of the audio and video instructional media materials produced pursuant to this subsection and such audio and video instructional media materials' contribution in promoting literacy.

[(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $2,000,000 for fiscal year 1992 to carry out the provisions of subsection (i), of which $100,000 shall be reserved for reproducing and distributing programming or audio and video instructional media materials.

[TITLE IV—BUSINESS LEADERSHIP FOR EMPLOYMENT SKILLS

[SEC. 401. EDUCATION PROGRAMS FOR COMMERCIAL DRIVERS.

[(a) IN GENERAL.—Part C of the Adult Education Act (20 U.S.C. 1211 et seq.) is amended by adding at the end the following:

["SEC. 373. EDUCATION PROGRAMS FOR COMMERCIAL DRIVERS.

["(a) PROGRAM AUTHORIZED.—The Secretary is authorized to make grants on a competitive basis to pay the Federal share of the costs of establishing and operating adult education programs which increase the literacy skills of eligible commercial drivers so that such drivers may successfully complete the knowledge test requirements under the Commercial Motor Vehicle Safety Act of 1986.

["(b) FEDERAL SHARE.—The Federal share of the costs of the adult education programs authorized under subsection (a) shall be 50 percent. Nothing in this subsection shall be construed to require States to meet the non-Federal share from State funds.

["(c) ELIGIBLE ENTITIES.—Entities eligible to receive a grant under this section include—

["(1) private employers employing commercial drivers in partnership with agencies, colleges, or universities described in paragraph (2);

["(2) local educational agencies, State educational agencies, colleges, universities, or community colleges;

["(3) approved apprentice training programs; and

["(4) labor organizations, the memberships of which include commercial drivers.

["(d) REFERRAL PROGRAM.—Grantees shall refer to appropriate adult education programs as authorized under this title individuals who are identified as having literacy skill problems other than or beyond those which prevent them from successfully completing the knowledge test requirements under the Commercial Motor Vehicle Safety Act of 1986.

["(e) DEFINITIONS.—For purposes of this section:

["(1) The term 'approved apprentice training programs' has the meaning given such term in the National Apprenticeship Act of 1937.

["(2) The term 'eligible commercial driver' means a driver licensed prior to the requirements of the Commercial Motor Vehicle Safety Act of 1986.

["(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for purposes of carrying out this section $3,000,000 for each of the fiscal years 1991, 1992, and 1993.".

[(b) AVOIDANCE OF DUPLICATE ENACTMENT.—The amendment made by subsection (a) shall not take effect if the Higher Education Amendments of 1991 are enacted before the enactment of this Act.

[TITLE V—BOOKS FOR FAMILIES

[SEC. 501. INEXPENSIVE BOOK DISTRIBUTION PROGRAM.

[(a) PRIORITY.—Section 1563(b) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2963) is amended by—

[(1) striking "and" at the end of paragraph (2);

[(2) by redesignating paragraph (3) as paragraph (4); and

[(3) by inserting after paragraph (2) the following:

["(3) in the fiscal year 1991 and each succeeding fiscal year, the contractor will give priority in the selection of additional local programs to programs and projects which serve children and students with special needs including, at a minimum—

["(A) low-income children (particularly such children in high poverty areas);

["(B) children at risk for school failure;

["(C) children with disabilities;

["(D) emotionally disturbed children;

["(E) foster children;

["(F) homeless children;

["(G) migrant children;

["(H) children without access to libraries;

["(I) institutionalized or incarcerated children; and

["(J) children whose parents are institutionalized or incarcerated; and".

[(b) STUDY.—The contractor shall report to the Secretary of Education annually regarding the number and description of the additional programs funded under subsection 1563(a)(3) of the Elementary and Secondary Education Act of 1965.

[SEC. 502. LIBRARY LITERACY PROGRAMS.

[Section 601 of the Library Services and Construction Act (20 U.S.C. 375) is amended by inserting at the end thereof the following new subsection:

["(f) In awarding grants under this section the Secretary shall give priority to programs and services which—

["(1) will be delivered in areas of greatest need which have highest concentrations of adults who do not have a secondary education or its equivalent, and which—

["(A) have few community or financial resources to establish the program described under this section without Federal assistance, or

["(B) have low per capita income, unemployment or underemployment; and

["(2) coordinate with literacy organizations and community based organizations providing literacy services.".

[TITLE VI—LITERACY FOR INCARCERATED INDIVIDUALS

[SEC. 601. FUNCTIONAL LITERACY AND LIFE SKILLS PROGRAMS FOR STATE AND LOCAL PRISONERS.

[(a) ESTABLISHMENT.—The Secretary is authorized to make grants to eligible entities to assist such entities in establishing, improving, and expanding a demonstration or system-wide functional literacy program.

[(b) PROGRAM REQUIREMENTS.—(1) To qualify for funding under subsection (d), each functional literacy program shall—

[(A) to the extent possible, make use of advanced technologies, such as interactive video- and computer-based adult literacy learning; and

[(B) include—

[(i) a requirement that each person incarcerated in the system, prison, jail, or detention center who is not functionally literate, except a person described in paragraph (2), shall participate in the program until the person—

[(I) achieves functional literacy, or in the case of an individual with a disability, achieves a level of functional literacy commensurate with his or her ability;

[(II) is granted parole;

[(III) completes his or her sentence; or

[(IV) is released pursuant to court order; and

[(ii) a prohibition on granting parole to any person described in clause (i) who refuses to participate in the program, unless the State parole board determines that the prohibition should be waived in a particular case; and

[(iii) adequate opportunities for appropriate education services and the screening and testing of all inmates for functional literacy and disabilities affecting functional literacy, including learning disabilities, upon arrival in the system or at the prison, jail, or detention center.

[(2) The requirement of paragraph (1)(B)(i) may not apply to a person who—

[(A) is serving a life sentence without possibility of parole;

[(B) is terminally ill; or

[(C) is under a sentence of death.

[(c) ANNUAL REPORT.—(1) Within 90 days after the close of the first calendar year in which a literacy program authorized by subsection (a) is placed in operation, and annually for each of the 4 years thereafter, a grantee shall submit a report to the Secretary with respect to its literacy program.

[(2) A report under paragraph (1) shall disclose—

[(A) the number of persons who were tested for eligibility during the preceding year;

[(B) the number of persons who were eligible for the literacy program during the preceding year;

[(C) the number of persons who participated in the literacy program during the preceding year;

[(D) the names and types of tests that were used to determine functional literacy and the names and types of tests that were used to determine disabilities affecting functional literacy;

[(E) the average number of hours of instruction that were provided per week and the average number per student during the preceding year;

[(F) sample data on achievement of participants in the program, including the number of participants who achieved functional literacy;

[(G) data on all direct and indirect costs of the program; and

[(H) information on progress toward meeting the program's goals.

[(d) COMPLIANCE GRANTS.—(1) The Secretary shall make grants to eligible entities that elect to establish a program described in subsection (a) for the purpose of assisting in carrying out the programs, developing the plans, and submitting the reports required by this section.

[(2) An eligible entity may receive a grant under this subsection if the entity—

[(A) submits an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require;

[(B) agrees to provide the Secretary—

[(i) such data as the Secretary may request concerning the cost and feasibility of operating the functional literacy programs authorized by subsection (a), including the annual reports required by subsection (c); and

[(ii) a detailed plan outlining the methods by which the provisions of subsections (a) and (b) will be met, including specific goals and timetables.

[(e) LIFE SKILLS TRAINING GRANTS.—(1) The Secretary is authorized to make grants to eligible entities to assist them in establishing and operating programs designed to reduce recidivism through the development and improvement of life skills necessary for reintegration into society.

[(2) To receive a grant under this subsection, an eligible entity shall—

[(A) submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary shall require; and

[(B) agree to report annually to the Secretary on the participation rate, cost, and effectiveness of the program and any other aspect of the program on which the Secretary may request information.

[(3) In awarding grants under this subsection, the Secretary shall give priority to programs that have the greatest potential for innovation, effectiveness, and replication in other systems, jails, and detention centers.

[(4) Grants awarded under this subsection shall be for a period not to exceed 3 years, except that the Secretary may establish a procedure for renewal of the grants under paragraph (1).

[(f) DEFINITIONS.—For the purposes of this section—

[(1) the term "eligible entity" means a State correctional agency, a local correctional agency, a State correctional education agency, and a local correctional education agency;

[(2) the term "functional literacy" means at least an eighth grade equivalence or a functional criterion score on a nationally recognized literacy assessment; and

[(3) the term "life skills" includes self-development, communication skills, job and financial skills development, education, interpersonal and family relationship development, and stress and anger management.

[(g) PANEL.—The Secretary is authorized to consult with and convene a panel of experts in correctional education, including program administrators and field-based professionals in adult corrections, juvenile services, jails, and community corrections programs, to—

[(1) develop measures for evaluating the effectiveness of the programs funded under this section; and

[(2) evaluate the effectiveness of such programs.

[(h) Use of Funds.—Notwithstanding any other provision of law, the Secretary may use not more than five percent of funds appropriated under subsection (i) in any fiscal year to carry out grant-related activities such as monitoring, technical assistance, and replication and dissemination.

[(i) Authorization of Appropriations.—There are authorized to be appropriated for purposes of carrying out this section $10,000,000 for fiscal year 1992, $15,000,000 for fiscal year 1993, $20,000,000 for fiscal year 1994, and $25,000,000 for fiscal year 1995.

[SEC. 602. BLUE RIBBON AWARDS FOR CORRECTIONAL EDUCATION PROGRAMS.

[(a) In General.—Section 1566 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2966) is amended—

[(1) in subsection (a), by striking "The" and inserting "Subject to subsection (d), the"; and

[(2) by adding at the end the following:

["(d) Blue Ribbon Awards for Correctional Education Programs.—The Secretary, through nominations provided by the Office on Correctional Education after consultation with representatives of correctional education organizations and others active in literacy education, shall annually make 1 or more awards under this section to effective and innovative programs for inmate education and literacy.".

[(b) Effective Date.—The amendment made by subsection (a) shall take effect on October 1, 1992.

[TITLE VII—VOLUNTEERS FOR LITERACY

[SEC. 701. LITERACY CHALLENGE GRANTS.

[(a) General Authority.—

[(1) Program authorized.—Part C of title I of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4991 et seq.) is amended by adding at the end the following:

"LITERACY CHALLENGE GRANTS

["Sec. 125. (a) The Director is authorized to award challenge grants to eligible public agencies and private organizations to pay the Federal share of the costs of establishing, operating or expanding community or employee literacy programs or projects that include the use of full-time or part-time volunteers as one method of addressing illiteracy.

["(b) Each eligible organization desiring a grant under this section shall submit to the ACTION Agency an application in such form and accompanied by such information as the Director may reasonably require. Each such application shall—

["(1) describe the activities for which assistance is sought,

["(2) contain assurances that the eligible organization will provide from non-Federal sources the non-Federal share of the cost of the program or project,

["(3) provide assurances, satisfactory to the Director, that the literacy project will be operated in cooperation with other public and private agencies and organizations interested in, and qualified to, combat illiteracy in the community where the project is to be conducted, and

["(4) contain such other information and assurances as the Director may reasonably require.

["(c)(1)(A) The Federal share of the cost of a program or project authorized by this section administered by a public agency, a nonprofit organization other than an organization described in paragraph (2), or a private, for-profit organization shall not exceed—

["(i) 80 percent in the first fiscal year;

["(ii) 70 percent in the second fiscal year; and

["(iii) 60 percent in the third fiscal year.

["(B) The non-Federal share paid by a private, for-profit organization shall be in cash.

["(2) The Federal share of the cost of a program or project administered by a nonprofit or community-based organization shall not exceed—

["(A) 90 percent in the first fiscal year;

["(B) 80 percent in the second fiscal year; and

["(C) 70 percent in the third fiscal year.

["(3) The non-Federal share provided by a public agency or a nonprofit or community-based organization may be provided in cash, or in kind, fairly evaluated, and may include the use of plant, equipment, and services.".

[(2) CONFORMING AMENDMENT.—The table of contents contained in the first section of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 note) is amended by inserting after the item relating to section 124 the following new item.

["Sec. 125. Literacy challenge grants.".

[(b) AUTHORIZATION OF APPROPRIATIONS.—Section 501(c) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5081(c)) is amended—

[(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

[(2) by inserting "(1)" after the subsection designation; and

[(3) by inserting at the end the following:

["(2) Except as provided in paragraph (3) and in addition to the amounts authorized to be appropriated pursuant to paragraph (1) there is authorized to be appropriated $2,500,000 for the fiscal year 1992 and such sums as may be necessary for 1993 for Literacy Challenge Grants under section 125.

["(3) No funds shall be appropriated pursuant to paragraph (2) in any fiscal year unless—

["(A) the funds available in such fiscal year for the VISTA Program under part A of title I are sufficient to provide the years of volunteer service specified for such fiscal year under section 501(d)(1) for the VISTA Program; and

[“(B) the funds available in such fiscal year for the VISTA Literacy Corps under part A of title I are sufficient to provide at least the same years of volunteer service as were provided in the fiscal year preceding such fiscal year.”.

[TITLE VIII—AMENDMENTS AFFECTING THE TERRITORIES AND THE FREELY ASSOCIATED STATES

[SEC. 801. ELIGIBILITY FOR EDUCATION PROGRAMS.

[(a) HIGHER EDUCATION.—Section 484 of the Act (20 U.S.C. 1091) is amended by adding at the end thereof the following new subsection:

[“(k) STUDENTS ATTENDING INSTITUTIONS IN THE FREELY ASSOCIATED STATES AND ELIGIBILITY FOR TRIO PROGRAMS.—Notwithstanding any other provision of law, a student who meets the requirements of paragraph (a)(5) of this section or who is a resident of the freely associated states, and who attends a public or nonprofit institution of higher education located in any of the freely associated states rather than a State, shall be eligible, if otherwise qualified, for assistance under subpart 1, 2, or 4 of part A or part C of this title.”.

[(b) TERRITORIAL TEACHER TRAINING ASSISTANCE PROGRAM.—Section 4502 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 3142) is amended by striking “the Northern Mariana Islands, and the Trust Territory of the Pacific Islands” each place it appears and inserting in lieu thereof “the Commonwealth of the Northern Mariana Islands, Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia.”.

[(c) TREATMENT OF TERRITORIES AND TERRITORIAL STUDENT ASSISTANCE.—Section 1204 of the Act (20 U.S.C. 1144a) is amended by adding at the end thereof the following new subsection:

[“(d) Notwithstanding any other provision of law, an institution of higher education that is located in any of the freely associated states, rather than a State, shall be eligible, if otherwise qualified, for assistance under subpart 4 of part A of title IV of this Act.”.

[SEC. 802. TREATMENT OF TERRITORIES AND FREELY ASSOCIATED STATES.

[(a) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—Subsection (a) of section 1005 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2711) is amended—

[(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

[(2) by inserting after paragraph (2) the following:

[“(3) COMPETITIVE GRANTS.—(A) From amounts appropriated for purposes of carrying out this section, the Secretary shall reserve an amount equal to the amount described in subparagraph (B) for purposes of making competitive grants to local educational agencies in Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, Palau, the Federated States of Micronesia, and the Republic of the Marshall Islands. The Secretary shall make such grants according to the recommendations of the Pacific Regional Laboratory in Honolulu, Hawaii, which shall conduct a competition for such grants.

["(B) The amount described in this subparagraph is the portion of the aggregate amount reserved in the fiscal year 1989 under sections 1005(a), 1291, 1404, 1405(a)(2)(A), and 1405(a)(2)(B) for the Trust Territory of the Pacific Islands that was attributable to the Republic of the Marshall Islands and the Federated States of Micronesia.

["(C) Subject to subparagraph (D), grants awarded under this paragraph may only be used for—

["(i) activities consistent with the purposes of—

["(I) title I;

["(II) the Adult Education Act;

["(III) the Education of the Handicapped Act;

["(IV) the Library Services and Construction Act; or

["(V) the Dwight D. Eisenhower Mathematics and Science Education Act;

["(ii) teacher training;

["(iii) curriculum development;

["(iv) instructional materials; or

["(v) general school improvement and reform.

["(D) Grants awarded under this paragraph may only be used to provide direct educational services.

["(E) The Secretary shall provide 5 percent of amounts made available for grants under this paragraph to pay the administrative costs of the Pacific Regional Laboratory with respect to the program under this paragraph.".

[(b) ADULT EDUCATION ACT.—The Adult Education Act is amended—

[(1) in sections 312(7) and 371(b)(7)(B)(i) (20 U.S.C. 1201a(7) and 1211(b)(7)(B)(i)) by striking "the Trust Territory of the Pacific Islands" and inserting "Palau (until the Compact of Free Association with Palau takes effect pursuant to section 101(a) of Public Law 99–658)"; and

[(2) in sections 313(b) and 361(a) (20 U.S.C. 1201b(b) and 1209a(a)) by striking "and the Trust Territory of the Pacific Islands" and inserting "the Federated States of Micronesia, the Republic of the Marshall Islands, and Palau".

[(c) STAR SCHOOLS PROGRAM.—Section 907(8) of the Star Schools Program Assistance Act (20 U.S.C. 4086(7)) is amended by striking "the Trust Territory of the Pacific Islands" and inserting "the Federated States of Micronesia, the Republic of the Marshall Islands, Palau".

[(d) EDUCATION OF THE HANDICAPPED.—The Education of the Handicapped Act is amended in—

[(1) section 602(a)(6) (20 U.S.C. 1401(a)(6)) by striking "or the Trust Territory of the Pacific Islands" and inserting "or Palau (until the Compact of Free Association with Palau takes effect pursuant to section 101(a) of Public Law 99–658)";

[(2) section 611(a)(2) (20 U.S.C. 1411(a)(2)) by striking "and the Trust Territory of the Pacific Islands" and inserting "the Federated States of Micronesia, the Republic of the Marshall Islands, and Palau"; and

[(3) section 611(e)(1) (20 U.S.C. 1411(e)(1)) by striking "and the Trust Territory of the Pacific Islands" and inserting "the Federated States of Micronesia, the Republic of the Marshall Islands, and Palau (until the Compact of Free Association with Palau takes effect pursuant to section 101(a) of Public Law 99–658)".

[(e) LIBRARY SERVICES AND CONSTRUCTION ACT.—The Library Services and Construction Act is amended in—

[(1) section 3(g) (20 U.S.C. 351a(g)) by striking "or the Trust Territory of the Pacific Islands" and inserting "Palau (until the Compact of Free Association with Palau takes effect pursuant to section 101(a) of Public Law 99–658)";

[(2) section 5(a)(3) (20 U.S.C. 351c(a)(3)) by striking "and the Trust Territory of the Pacific Islands" each place such term appears and inserting "Palau (until the Compact of Free Association with Palau takes effect pursuant to section 101(a) of Public Law 99–658)";

[(3) section 7(a) (20 U.S.C. 351e(a)) by striking "the Trust Territory of the Pacific Islands" and inserting "Palau (until the Compact of Free Association with Palau takes effect pursuant to section 101(a) of Public Law 99–658)"; and

[(4) section 7(b) (20 U.S.C. 351e(b)) by striking "and the Trust Territory of the Pacific Islands" each place such term appears and inserting "the Commonwealth of the Northern Mariana Islands and Palau (until the Compact of Free Association with Palau takes effect pursuant to section 101(a) of Public Law 99–658)".]

SECTION 402 OF THE REFUGEE EDUCATION ASSISTANCE ACT OF 1980

USE OF FUNDS

SEC. 402. (a) Funds made available to State educational agencies under this title shall be used by such agencies to provide for programs of adult education and adult basic education to eligible participants aged 16 or older in need of such services who are not enrolled in elementary or secondary public schools under the jurisdiction of local educational agencies. Such programs may be provided directly by the State educational agency, or such agency may make grants, or enter into contracts, with local educational agencies, and other public or private nonprofit agencies, organizations, or institutions to provide for such programs. Funds available under this title may be used for—

(1) * * *

* * * * * * *

(4) special projects designed to operate in conjunction with existing Federal and non-Federal programs and activities to develop occupational and related skills for individuals, particularly programs authorized under [the Comprehensive Employment and Training Act of 1973] *the Employment, Training, and Literacy Enhancement Act* or under the Vocational Education Act of 1963.

[(b) The State educational agency shall review applications for grants and contracts in a manner consistent with the purposes of paragraphs (12) and (13) of section 306(b) of the Adult Education Act.]

* * * * * * *

ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

* * * * * * *

TITLE I—HELPING DISADVANTAGED CHILDREN MEET HIGH STANDARDS

* * * * * * *

PART B—EVEN START FAMILY LITERACY PROGRAMS

* * * * * * *

SEC. 1205. PROGRAM ELEMENTS.

Each program assisted under this part shall—

(1) * * *

* * * * * * *

(8) be coordinated with—

(A) programs assisted under other parts of this title and this Act;

(B) any relevant programs under [the Adult Education Act, the Individuals with Disabilities Education Act, and the Job Training Partnership Act] *the Individuals with Disabilities Education Act, and the Employment, Training, and Literacy Enhancement Act*; and

* * * * * * *

SEC. 1206. ELIGIBLE PARTICIPANTS.

(a) IN GENERAL.—Except as provided in subsection (b), eligible participants in an Even Start program are—

(1) a parent or parents—

(A) who are eligible for participation in [an adult basic education program] *adult education and literacy activities* under the Adult Education Act; or

* * * * * * *

(B) who are within the State's compulsory school attendance age range, so long as a local educational agency provides (or ensures the availability of) the basic education component required under this part; and

* * * * * * *

PART D—PREVENTION AND INTERVENTION PROGRAMS FOR CHILDREN AND YOUTH WHO ARE NEGLECTED, DELINQUENT, OR AT RISK OF DROPPING OUT

* * * * * * *

Subpart 1—State Agency Programs

* * * * * * *

SEC. 1414. STATE PLAN AND STATE AGENCY APPLICATIONS.

(a) * * *

* * * * * * *

(c) STATE AGENCY APPLICATIONS.—Any State agency that desires to receive funds to carry out a program under this part shall submit an application to the State educational agency that—

(1) * * *

* * * * * * *

(8) describes how the programs will be coordinated with other appropriate State and Federal programs, such as [programs under the Job Training Partnership Act,] *activities under the Employment, Training, and Literacy Enhancement Act,* vocational education programs, State and local dropout prevention programs, and special education programs;

* * * * * * *

Subpart 2—Local Agency Programs

SEC. 1423. LOCAL EDUCATIONAL AGENCY APPLICATIONS.

Eligible local educational agencies desiring assistance under this section shall submit an application to the State educational agency, containing such information as the State educational agency may require. Each such application shall include—

(1) * * *

* * * * * * *

(9) a description of how the program under this subpart will be coordinated with other Federal, State, and local programs, such as [programs under the Job Training and Partnership Act] *activities under the Employment, Training, and Literacy Enhancement Act* and vocational education programs serving this at-risk population of youth;

* * * * * * *

SEC. 1425. PROGRAM REQUIREMENTS FOR CORRECTIONAL FACILITIES RECEIVING FUNDS UNDER THIS SECTION.

Each correctional facility entering into an agreement with a local educational agency under section 1422(a) to provide services to youth under this section shall—

(1) * * *

* * * * * * *

(9) coordinate funds received under this program with other local, State, and Federal funds available to provide services to participating youth[, such as funds under the Job Training Partnership Act,], *such as funds made available under the Employment, Training, and Literacy Enhancement Act,* and vocational education funds;

* * * * * * *

TITLE III—TECHNOLOGY FOR EDUCATION

* * * * * * *

PART A—TECHNOLOGY FOR EDUCATION OF ALL STUDENTS

SEC. 3113. DEFINITIONS.

For purposes of this title—

(1) the term "adult education" has the same meaning given such term by [section 312 of the Adult Education Act;] *section 303 of the Adult Education and Family Literacy Act;*

* * * * * * *

TITLE IX—INDIAN, NATIVE HAWAIIAN, AND ALASKA NATIVE EDUCATION

PART A—INDIAN EDUCATION

* * * * * * *

Subpart 6—Definitions; Authorizations of Appropriations

SEC. 9161. DEFINITIONS.

As used in this part:

(1) * * *

(2) ADULT EDUCATION.—The term "adult education" has the meaning given such term in [section 312(2) of the Adult Education Act.] *section 303 of the Adult Education and Family Literacy Act.*

* * * * * * *

WAGNER-PEYSER ACT

* * * * * * *

SEC. 2. For purposes of this Act—

(1) the term "chief elected official or officials" has the same meaning given that term under the [Job Training Partnership Act] *Employment, Training, and Literacy Enhancement Act*;

[(2) the term "private industry council" has the same meaning given that term under the Job Training Partnership Act;]

(2) the term "local workforce development area" means a local workforce development area designated under section 121 of the Employment, Training, and Literacy Enhancement Act;

(3) the term "local workforce development board" means a local workforce development board established under section 122 of the Employment, Training, and Literacy Enhancement Act;

(4) the term "full service employment and training delivery system" means a system established under section 123 of the Employment, Training, and Literacy Enhancement Act;

[(3)] *(5)* the term "Secretary" means the Secretary of Labor; *and*

[(4) the term "service delivery area" has the same meaning given that term under the Job Training Partnership Act; and]

[(5)] *(6)* the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.

SEC. 3. [(a) The United States Employment Service shall assist in coordinating the State public employment services throughout the country and in increasing their usefulness by developing and prescribing minimum standards of efficiency, assisting them in meeting problems peculiar to their localities, promoting uniformity in their administrative and statistical procedure, furnishing and publishing information as to opportunities for employment and other information of value in the operation of the system, and maintaining a system for clearing labor between the States.] *(a) The Secretary of Labor—*

(1) shall assist in the coordination and development of a nationwide system of labor exchange services for the general public, provided as part of the full service employment and training delivery systems of the States;

(2) shall assist in the development of continuous improvement models for such nationwide system that ensure private sector satisfaction with the system and meet the demands of jobseekers relating to the system; and

(3) shall ensure, for individuals otherwise eligible to receive unemployment compensation, the continuation of any activities in which the individuals are required to participate to receive the compensation.

* * * * * * *

SEC. 4. In order to obtain the benefits of appropriations apportioned under section 5, a State shall[, through its legislature,] *pursuant to State statute* accept the provisions of this Act and, *in accordance with such State statute, the Governor shall* designate or authorize the creation of a State agency vested with all powers necessary to cooperate with the [United States Employment Service] *Secretary* under this Act.

SEC. 5. (a) * * *

* * * * * * *

(c)(1) * * *

* * * * * * *

[(3)(A) Appropriations for fiscal year 1984 shall be available both to fund activities for the period between October 1, 1983, and July 1, 1984, and for the program year beginning July 1, 1984.

[(B) There are authorized to be appropriated such additional sums as may be necessary to carry out the provisions of this paragraph for the transition to program year funding.]

* * * * * * *

SEC. 7. (a) * * *

(b) Ten percent of the sums allotted to each State pursuant to section 6 shall be reserved for use in accordance with this subsection by the Governor of each such State to provide—

(1) * * *

(2) services for groups with special needs, carried out pursuant to joint agreements between the employment service and the appropriate [private industry council] *local workforce development board* and chief elected official or officials or other public agencies or private nonprofit organizations; and

* * * * * * *

(c)(1) * * *

(2) For purposes of this subsection, the term "applicable program" means any program under any of the following provisions of law:

(A) The Carl D. Perkins Vocational and Applied Technology Education Act.

[(B) Section 123, title II, and title III of the Job Training Partnership Act.]

(B) Title III of the Employment, Training, and Literacy Enhancement Act.

* * * * * * *

(d) In addition to the services and activities otherwise authorized by this Act, the United States Employment Service or any State agency designated under this Act may perform such other services and activities as shall be specified in contracts for payment or reimbursement of the costs thereof made with the Secretary of Labor or with any Federal, State, or local public agency, or administrative entity under the [Job Training Partnership Act] *Employment, Training, and Literacy Enhancement Act*, or private nonprofit organization.

(e) All job search, placement, recruitment, labor market information, and other labor exchange services authorized under subsections (a) and (b) shall be provided as part of the full service employment and training delivery system established by the State.

SEC. 8. [(a) Any State desiring to receive the benefits of this Act shall, by the agency designated to cooperate with the United States Employment Service, submit to the Secretary of Labor detailed plans for carrying out the provisions of this Act within such State.

[(b) Prior to submission of such plans to the Secretary—

[(1) the employment service shall develop jointly with each appropriate private industry council and chief elected official or officials for the service delivery area (designated under the Job Training Partnership Act) those components of such plans applicable to such area;

[(2) such plans shall be developed taking into consideration proposals developed jointly by the appropriate private industry council and chief elected official or officials in the service delivery area affected;

[(3) such plans shall be transmitted to the State job training coordinating council (established under such Act) which shall certify such plans if it determines (A) that the components of such plans have been jointly agreed to by the employment service and appropriate private industry council and chief elected official or officials; and (B) that such plans are consistent with the Governor's coordination and special services plan under the Job Training Partnership Act;

[(4) if the State job training coordinating council does not certify that such plans meet the requirements of clauses (A) and (B) of paragraph (3), such plans shall be returned to the employment service for a period of thirty days for it to consider, jointly with the appropriate private industry council and chief elected official or officials, the council's recommendations for modifying such plans; and

[(5) if the employment service and the appropriate private industry council and chief elected official or officials fail to reach agreement upon such components of such plans to be submitted finally to the Secretary, such plans submitted by the State agency shall be accompanied by such proposed modifications as may be recommended by any appropriate disagreeing private industry council and chief elected official or officials affected, and the State job training coordinating council shall transmit to the Secretary its recommendations for resolution thereof.

[(c) The Governor of the State shall be afforded the opportunity to review and transmit to the Secretary proposed modifications of such plans submitted.]

(a) Any State desiring to receive assistance under this Act shall submit to the Secretary, as part of the State plan submitted under section 101 of the Employment, Training, and Literacy Enhancement Act, detailed plans for carrying out the provisions of this Act within such State.

[(d)] *(b)* Such plans shall include provision for the promotion and development of employment opportunities for handicapped persons and for job counseling and placement of such persons, and for the designation of at least one person in each State or Federal employment office, whose duties shall include the effectuation of such purposes. In those States where a State board, department, or agency exists which is charged with the administration of State laws for vocational rehabilitation of physically handicapped persons, such plans shall include provision for cooperation between such board, department, or agency and the agency designated to cooperate with the United States Employment Service under this Act.

[(e) If such plans are in conformity with the provisions of this Act and reasonably appropriate and adequate to carry out its purposes, they shall be approved by the Secretary of Labor and due notice of such approval shall be given to the State agency.]

* * * * * * *

[SEC. 11. (a) The Director shall establish a Federal Advisory Council composed of men and women representing employers and employees in equal numbers and the public for the purpose of formulating policies and discussing problems relating to employment and insuring impartiality, neutrality, and freedom from political influence in the solution of such problems. Members of such council shall be selected from time to time in such manner as the Director shall prescribe and shall serve without compensation, but when attending meetings of the council they shall be allowed necessary traveling and subsistence expenses, or per diem allowance in lieu thereof, within the limitations prescribed by law for civilian employees in the executive branch of the Government. The council shall have access to all files and records of the United States Employment Service. The Director shall also require the organization of similar State advisory councils composed of men and women representing employers and employees in equal numbers and the public. Nothing in this section shall be construed to prohibit the Governor from carrying out functions of such State advisory council through the State job training coordinating council in accordance with section 122(c) of the Job Training Partnership Act.

[(b) In carrying out the provisions of this Act the Director is authorized and directed to provide for the giving of notice of strikes or lockouts to applicants before they are referred to employment.]

SEC. 12. [The Director, with the approval of the Secretary of Labor,] *The Secretary* is hereby authorized to make such rules and regulations as may be necessary to carry out the provisions of this Act.

* * * * * * *

SECTION 508 OF THE UNEMPLOYMENT COMPENSATION AMENDMENTS OF 1976

SEC. 508. STATE EMPLOYMENT OFFICES TO SUPPLY DATA IN AID OF ADMINISTRATION OF AFDC AND CHILD SUPPORT PROGRAMS.

(a) * * *

(b) PROVISION FOR REIMBURSEMENT OF EXPENSES.—For purposes of section 403 of the Social Security Act, expenses incurred to reimburse State employment offices for furnishing information requested of such offices pursuant to [the third sentence of section 3(a)] *section 3(b)* of the Act entitled "An Act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes", approved June 6, 1933 (29 U.S.C. [49b(a)] *49b(b))*, by a State or local agency administering a State plan approved under part A of title IV of the Social Security Act shall be considered to constitute expenses incurred in the administration of such State plan; and for purposes of section 455 of the Social Security Act, expenses incurred to reimburse State employment offices for furnishing information so requested by a State or local agency charged with the duty of carrying out a State plan for child support approved under part D of title IV of the Social Security Act shall be considered to constitute expenses incurred in the administration of such State plan.

SECTION 3502 OF TITLE 5, UNITED STATES CODE

§ 3502. Order of retention

(a) * * *

* * * * * * *

(d)(1) * * *

* * * * * * *

(3) Notice under paragraph (1)(B)—

(A) shall be given to—

(i) the appropriate State dislocated worker unit [or units (referred to in section 311(b)(2) of the Job Training Partnership Act)] *referred to in section 313(a)(2)(B)(i) of the Employment, Training, and Literacy Enhancement Act*; and

(ii) the chief elected official of such unit or each of such units of local government as may be appropriate; and

(B) shall consist of written notification as to—

(i) * * *

* * * * * * *

(iii) any other matter which might facilitate the delivery of rapid response assistance or other services under the [Job Training Partnership Act] *Employment, Training, and Literacy Enhancement Act*.

(4) The Office shall prescribe such regulations as may be necessary to carry out this subsection. The Office shall consult with the Secretary of Labor on matters relating to the [Job Training Partnership Act] *Employment, Training, and Literacy Enhancement Act*.

* * * * * * *

FOOD STAMP ACT OF 1977

* * * * * * *

ELIGIBLE HOUSEHOLDS

SEC. 5. (a) * * *

* * * * * * *

(l) Notwithstanding [section 142(b) of the Job Training Partnership Act (29 U.S.C. 1552(b))] *title II, III, or IV of the Employment, Training, and Literacy Enhancement Act*, earnings to individuals participating in on-the-job training programs under section 204(b)(1)(C) or section 264(c)(1)(A) of the Job Training Partnership Act shall be considered earned income for purposes of the food stamp program, except for dependents less than 19 years of age.

* * * * * * *

ELIGIBILITY DISQUALIFICATIONS

SEC. 6. (a) In addition to meeting the standards of

(d) CONDITIONS OF PARTICIPATION.—

(1) * * *

* * * * * * *

(4) EMPLOYMENT AND TRAINING.—

(A) * * *

* * * * * * *

(M) The facilities of the State public employment offices and agencies operating programs under the [Job Training Partnership Act] *Employment, Training, and Literacy Enhancement Act* may be used to find employment and training opportunities for household members under the programs under this paragraph.

(e) No individual who is a member of a household otherwise eligible to participate in the food stamp program under this section shall be eligible to participate in the food stamp program as a member of that or any other household if the individual is enrolled at least half-time in an institution of higher education, unless the individual—

(1) is under age 18 or is age 50 or older;

(2) is not physically or mentally fit;

(3) is assigned to or placed in an institution of higher education through or in compliance with the requirements of—

[(A) a program under the Job Training Partnership Act (29 U.S.C. 1501 et seq.);]

(A) a program under title II, III, or IV of the Employment, Training, and Literacy Enhancement Act;

* * * * * * *

RESEARCH, DEMONSTRATION, AND EVALUATIONS

SEC. 17. (a) * * *

(b)(1) * * *

(2) The Secretary shall, jointly with the Secretary of Labor, implement two pilot projects involving the performance of work in return for food stamp benefits in each of the seven administrative regions of the Food and Nutrition Service of the Department of Agriculture, such projects to be (A) appropriately divided in each region between locations that are urban and rural in characteristics and among locations selected to provide a representative cross-section of political subdivisions in the States and (B) submitted for approval prior to project implementation, together with the names of the agencies or organizations that will be engaged in such projects, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate. Under such pilot projects, any person who is subject to the

work registration requirements pursuant to section 6(d) of this Act, and is a member of a household that does not have earned income equal to or exceeding the allotment to which the household is otherwise entitled pursuant to section 8(a) of this Act, shall be ineligible to participate in the food stamp program as a member of any household during any month in which such person refuses, after not being offered employment in the private sector of the economy for more than thirty days (ten days in at least one pilot project area designated by the Secretary) after the initial registration for employment referred to in section 6(d)(1)(A)(i) of this Act, [to accept an offer of employment from a political subdivision or a prime sponsor pursuant to the Comprehensive Employment and Training Act of 1973, as amended (29 U.S.C. 812),] *to accept an offer of employment from a service provider carrying out employment and training activities through a program carried out under title II, III, or IV of the Employment, Training, and Literacy Enhancement Act,* for which employment compensation shall be paid in the form of the allotment to which the household is otherwise entitled pursuant to section 8(a) of this Act, with each hour of employment entitling the household to a portion of the allotment equal in value to 100 per centum of the Federal minimum hourly rate under the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 206(a)(1)); which employment shall not, together with any other hours worked in any other capacity by such person exceed forty hours a week; and which employment shall not be used by the employer to fill a job opening created by the action of such employer in laying off or terminating the employment of any regular employee not supported under this paragraph in anticipation of filling the vacancy so created by hiring an employee or employees to be supported under this paragraph[: *Provided,* That all of the political subdivision's or prime sponsor's public service jobs supported under the Comprehensive Employment and Training Act of 1973, as amended (29 U.S.C. 812), are filled before such subdivision or sponsor can extend a job offer pursuant to this paragraph: *Provided further,* That the sponsor of each such project shall provide the assurances required of prime sponsors under section 205(c)(7), (8), (15), (19), and (24) of the Comprehensive Employment and Training Act of 1973, as amended (29 U.S.C. 845(c)), and the Secretary shall require such sponsors to comply with the conditions contained in sections 208(a)(1), (4), and (5) and (c) and 703(4) of the Comprehensive Employment and Training Act of 1973, as amended (29 U.S.C. 848 (a) and (c) and 983). The Secretary and the Secretary of Labor shall jointly issue reports to the appropriate committees of Congress on the progress of such pilot projects no later than six and twelve months following enactment of this Act, shall issue interim reports no later than October 1, 1979, October 1, 1980, and March 30, 1981, shall issue a final report describing the results of such pilot projects based upon their operation from their commencement through the fiscal year ending September 30, 1981, and shall pay to the agencies or organizations operating such pilot projects 50 per centum of all administrative costs involved in such operation.], *if all of the jobs supported under the program have been made available to participants in the program before the service provider providing the jobs extends an offer of employment under this para-*

graph, and if the service provider, in employing the person, complies with the requirements of Federal law that relate to the program.

* * * * * * *

SECTION 245A OF THE IMMIGRATION AND NATIONALITY ACT

ADJUSTMENT OF STATUS OF CERTAIN ENTRANTS BEFORE JANUARY 1, 1982, TO THAT OF PERSON ADMITTED FOR LAWFUL RESIDENCE

SEC. 245A. (a) * * *

* * * * * * *

(h) TEMPORARY DISQUALIFICATION OF NEWLY LEGALIZED ALIENS FROM RECEIVING CERTAIN PUBLIC WELFARE ASSISTANCE.—

(1) * * *

* * * * * * *

(4) TREATMENT OF CERTAIN PROGRAMS.—Assistance furnished under any of the following provisions of law shall not be construed to be financial assistance described in paragraph (1)(A)(i):

(A) * * *

* * * * * * *

(F) [The Job Training Partnership Act.] *The Employment, Training, and Literacy Enhancement Act.*

* * * * * * *

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1993

* * * * * * *

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

* * * * * * *

Subtitle E—Defense Nuclear Workers

SEC. 3161. DEPARTMENT OF ENERGY DEFENSE NUCLEAR FACILITIES WORK FORCE RESTRUCTURING PLAN.

(a) * * *

* * * * * * *

(c) OBJECTIVES.—In preparing the plan required under subsection (a), the Secretary shall be guided by the following objectives:

(1) * * *

* * * * * * *

(6) The Department of Energy should provide local impact assistance to communities that are affected by the restructuring plan and coordinate the provision of such assistance with—

(A) programs carried out by the Department of Labor pursuant to the [Job Training Partnership Act)29 U.S.C. 1501 et seq.)] *title II, III, or IV of the Employment, Training, and Literacy Enhancement Act*;

* * * * * * *

DIVISION D—DEFENSE CONVERSION, REINVESTMENT, AND TRANSITION ASSISTANCE

* * * * * * *

TITLE XLIV—PERSONNEL ADJUSTMENT, EDUCATION, AND TRAINING PROGRAMS

* * * * * * *

Subtitle F—Job Training and Employment and Educational Opportunities

SEC. 4461. IMPROVED COORDINATION OF JOB TRAINING AND PLACEMENT PROGRAMS FOR MEMBERS OF THE ARMED FORCES.

The Secretary of Defense shall consult with the Secretary of Labor, the Secretary of Education, the Secretary of Veterans Affairs, and the Economic Adjustment Committee to improve the coordination of, and eliminate duplication between, the following job training and placement programs available to members of the Armed Forces who are discharged or released from active duty:

(1) [The Job Training Partnership Act (29 U.S.C. 1501 et seq.).] *The Employment, Training, and Literacy Enhancement Act.*

* * * * * * *

SEC. 4471. NOTICE TO CONTRACTORS AND EMPLOYEES UPON PROPOSED AND ACTUAL TERMINATION OR SUBSTANTIAL REDUCTION IN MAJOR DEFENSE PROGRAMS.

(a) * * *

* * * * * * *

(c) CONTRACTOR NOTICE TO EMPLOYEES AND STATE DISLOCATED WORKER UNIT.—Not later than two weeks after a defense contractor receives notice under subsection (a), the contractor shall provide notice of such termination or substantial reduction to—

(1) * * *

(2) the State dislocated worker unit or office described in [section 311(b)(2) of the Job Training Partnership Act (29 U.S.C. 1661(b)(2))] *313(a)(2)(B)(i) of the Employment, Training, and Literacy Enhancement Act* and the chief elected official of the unit of general local government within which the adverse effect may occur.

(d) CONSTRUCTIVE NOTICE.—The notice of termination of, or substantial reduction in, a defense contract provided under subsection (c)(1) to an employee of a contractor shall have the same effect as a notice of termination to such employee for the purposes of determining whether such employee is eligible [for training, adjustment assistance, and employment services under section 325 or 325A of the Job Training Partnership Act (29 U.S.C. 1662d, 1662d–1), except where] *to participate in employment and training activities carried out under the Employment, Training, and Literacy Enhancement Act, except in a case in which* the employer has specified that the termination of, or substantial reduction in, the contract is not likely to result in plant closure or mass layoff. [Any employee considered to have received such notice under the preceding sentence shall only be eligible to receive services under section 314(b) of such Act (29 U.S.C. 1661c(b)) and under paragraphs (1) through (14), (16), and (18) of section 314(c) of such Act (29 U.S.C. 1661c(c)).]

(e) LOSS OF ELIGIBILITY.—An employee who receives a notice of withdrawal under paragraph (3) shall not be eligible [for training, adjustment assistance, and employment services under section 325 or 325A of the Job Training Partnership Act (29 U.S.C. 1662d, 1662d–1) beginning] *to participate in employment and training activities under the Employment, Training, and Literacy Enhancement Act beginning* on the date on which the employee receives the notice.

* * * * * * *

SECTION 4003 OF THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1991

SEC. 4003. DEFINITIONS

For purposes of this division:

(1) * * *

* * * * * * *

(5) The term "substantially and seriously affected" means—

(A) * * *

* * * * * * *

(C) when such term is used in conjunction with the term "group of workers", any group of 100 or more workers at a defense facility who are (or who are threatened to be), eligible to participate in the defense conversion adjustment program under section 325 of the Job Training Partnership Act (as added by section 4202 of this division), *as in effect* *on the day before the date of the enactment of the Employment, Training, and Literacy Enhancement Act of 1997.*

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1991

SEC. 1333. GRANTS TO INSTITUTIONS OF HIGHER EDUCATION TO PROVIDE EDUCATION AND TRAINING IN ENVIRONMENTAL RESTORATION TO DISLOCATED DEFENSE WORKERS AND YOUNG ADULTS.

(a) * * *

* * * * * * *

(c) USE OF GRANT FUNDS.—(1) * * *

(2) The entities referred to in paragraph (1) are the following:

(A) Appropriate State and local agencies.

(B) [Private industry councils (as described in section 102 of the Job Training Partnership Act (29 U.S.C. 1512)).] *Local workforce development boards established under section 122 of the Employment, Training, and Literacy Enhancement Act.*

* * * * * * *

SECTION 7 OF THE SMALL BUSINESS ACT

SEC. 7. (a) * * *

* * * * * * *

(j)(1) * * *

* * * * * * *

(13) A Program Participant, if otherwise eligible, shall be qualified to receive the following assistance during the stages of program participation specified in paragraph 12:

(A) * * *

* * * * * * *

(E) Financial assistance whereby the Administration may purchase in whole or in part, and on behalf of such concerns, skills training or upgrading for employees or potential employees of such concerns. Such assistance may be made without regard to section 18(a). Assistance may be made by direct payment to the training provider or by reimbursing the Program Participant or the Participant's employee, if such reimbursement is found to be reasonable and appropriate. For purposes of this subparagraph the term "training provider" shall mean an institution of higher education, a community or vocational college, or an institution eligible to provide skills training or upgrading [under the Job Training Partnership Act (29 U.S.C. 1501 et seq.)] *under section 124 of the Employment, Training, and Literacy Enhancement Act.* The Administration shall, in consultation with the Secretary of Labor, promulgate rules and regulations to implement this subparagraph that establish acceptable training and upgrading performance standards and provide for such monitoring or audit requirements as may be necessary to ensure the integrity of the training effort. No financial assistance shall be granted under the subparagraph unless the Administrator determines that—

(i) * * *

* * * * * * *

SECTION 4 OF THE EMPLOYMENT ACT OF 1946

FULL EMPLOYMENT AND BALANCED GROWTH: MEDIUM-TERM ECONOMIC GOALS AND POLICIES

SEC. 4. (a) * * *

* * * * * * *

(f)(1) * * *

(2) Insofar as the differences specified in the preceding paragraph are due to lack of training and skills, occupational practices, and other relevant factors, the Secretary of Labor shall—

(A) take such action as practicable to achieve the objectives of this subsection;

(B) make studies, develop information, and make recommendations toward remedying these differences in rates of unemployment, [and include these in the annual Employment and Training Report of the President required under section 705(a) of the Comprehensive Employment and Training Act of 1973 (hereinafter in this Act referred to as "CETA")] *and prepare and submit to the President an annual report containing the recommendations*; and

* * * * * * *

FULL EMPLOYMENT AND BALANCED GROWTH ACT OF 1978

* * * * * * *

TITLE II—STRUCTURAL ECONOMIC POLICIES AND PROGRAMS, INCLUDING TREATMENT OF RESOURCE RESTRAINTS

* * * * * * *

JOB TRAINING, COUNSELING AND RESERVOIRS OF EMPLOYMENT PROJECTS

SEC. 206. (a) * * *

(b) In meeting the responsibilities under subsection (a), the Secretary of Labor shall, as appropriate, fully utilize the authority provided under [CETA] *the Employment, Training, and Literacy Enhancement Act* and other relevant provisions of law to—

(1) assure the availability of counseling, training, and other supportive activities necessary to prepare persons willing and

seeking work for employment [(including use of section 110 of CETA when necessary)];

* * * * * * *

(c)(1) To the extent that individuals aged sixteen and over and able, willing, and seeking to work are not and in the judgment of the President cannot be provided with private job opportunities or job opportunities under other programs and actions in existence, in accord with the goals and timetables set forth in the Employment Act of 1946, the President shall, as may be authorized by law, establish reservoirs of public employment and private nonprofit employment projects, to be approved by the Secretary of Labor, [through expansion of CETA and other] existing employment and training projects or through such new programs as are determined necessary by the President or through both such projects and such programs.

* * * * * * *

TITLE IV—GENERAL PROVISIONS

NONDISCRIMINATION

SEC. 401. (a) * * *

* * * * * * *

(d) To assist and evaluate the enforcement of this section, and the broader equal employment opportunity policies of this Act, the Secretary of Labor, shall [include, in the annual Employment and Training Report of the President provided under section 705(a) of CETA,] *include, in the annual report referred to in section 4(f)(2)(B) of the Employment Act of 1946 (15 U.S.C. 1022a(f)(2)(B)),* a detailed analysis of the extent to which the enforcement of this section achieves positive results in both the quantity and quality of jobs, and for employment opportunities generally.

* * * * * * *

SECTION 665 OF TITLE 18, UNITED STATES CODE

§ 665. Theft or embezzlement from employment and training funds; improper inducement; obstruction of investigations

(a) Whoever, being an officer, director, agent, or employee of, or connected in any capacity with any agency or organization receiving financial assistance or any funds under the Comprehensive Employment and Training Act [or the Job Training Partnership Act] *the Job Training Partnership Act, or the Employment, Training, and Literacy Enhancement Act* knowingly enrolls an ineligible participant, embezzles, willfully misapplies, steals, or obtains by fraud any of the moneys, funds, assets, or property which are the subject of a financial assistance agreement or contract pursuant to such Act shall be fined under this title or imprisoned for not more than 2 years, or both; but if the amount so embezzled, misapplied, stolen, or obtained by fraud does not exceed $1,000, such person shall be fined under this title or imprisoned not more than 1 year, or both.

(b) Whoever, by threat or procuring dismissal of any person from employment or of refusal to employ or refusal to renew a contract of employment in connection with a financial assistance agreement or contract under the Comprehensive Employment and Training Act [or the Job Training Partnership Act] *the Job Training Partnership Act, or the Employment, Training, and Literacy Enhancement Act* induces any person to give up any money or thing of any value to any person (including such organization or agency receiving funds) shall be fined under this title, or imprisoned not more than 1 year, or both.

(c) Whoever willfully obstructs or impedes or willfully endeavors to obstruct or impede, an investigation or inquiry under the Comprehensive Employment and Training Act [or the Job Training Partnership Act] *the Job Training Partnership Act, or the Employment, Training, and Literacy Enhancement Act*, or the regulations thereunder, shall be punished by a fine of not more than $5,000, or by imprisonment for not more than 1 year, or by both such fine and imprisonment.

SECTION 239 OF THE TRADE ACT OF 1974

SEC. 239. AGREEMENTS WITH STATES.

(a) * * *

* * * * * * *

(e) Any agreement entered into under this section shall provide for the coordination of the administration of the provisions for employment services, training, and supplemental assistance under sections 235 and 236 of this Act and under title III of the [Job Training Partnership Act] *Employment, Training, and Literacy Enhancement Act* upon such terms and conditions as are established by the Secretary in consultation with the States and set forth in such agreement. Any agency of the State jointly administering such provisions under such agreement shall be considered to be a cooperating State agency for purposes of this chapter.

* * * * * * *

SECTION 480 OF THE HIGHER EDUCATION ACT OF 1965

SEC. 480. DEFINITIONS.

As used in this part:

(a) * * *

(b) UNTAXED INCOME AND BENEFITS.—The term "untaxed income and benefits" means—

(1) * * *

* * * * * * *

(14) any other untaxed income and benefits, such as Black Lung Benefits, Refugee Assistance, railroad retirement benefits, or [Job Training Partnership Act] *received through par-*

ticipation under title II, III, or IV of the Employment, Training, and Literacy Enhancement Act noneducational benefits.

* * * * * * *

SECTION 626 OF THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT

SECONDARY EDUCATION AND TRANSITIONAL SERVICES FOR YOUTH WITH DISABILITIES

SEC. 626. (a) The Secretary may make grants to, or enter into contracts with, institutions of higher education, State educational agencies, local educational agencies, or other appropriate public and private nonprofit institutions or agencies [(including the State job training coordinating councils and service delivery area administrative entities established under the Job Training Partnership Act)] *(including the State collaborative process under of section 102 of the Employment, Training, and Literacy Enhancement Act and local workforce development boards established under section 122 of such Act)* to—

(1) * * *

* * * * * * *

(e)(1) * * *

* * * * * * *

(3) States that receive grants shall use grant funds to:

(A) * * *

* * * * * * *

(C) Improve working relationships among education personnel, both within LEAs and in postsecondary training programs, relevant State agencies, the private sector (especially employers), rehabilitation personnel, local and State employment agencies, [local Private Industry Councils (PICS) authorized by the Job Training Partnership Act (JTPA),] *local workforce development boards established under section 122 of the Employment, Training, and Literacy Enhancement Act,* and families of students with disabilities and their advocates to identify and achieve consensus on the general nature and specific application of transition services to meet the needs of youth with disabilities.

* * * * * * *

(4)(A) In order to receive funding under this subsection, a State vocational rehabilitation agency and State educational agency shall describe in their application how they will use the first year, if necessary, to plan how to implement transition services, the second through fourth years to develop and implement transition services, and the fifth year to evaluate transition services. The application shall describe how the grant funds will be used during the planning period and phased out during the evaluation period to ensure the continuation of transition services. Such applications shall also include—

(i) * * *

* * * * * * *

(iii) a description of how the State will improve and increase working relationships among education personnel, both within LEAs and in postsecondary training programs, relevant State agencies, the private sector (especially employers), rehabilitation personnel, local and State employment agencies, [local Private Industry Councils (PICS) authorized by the JTPA,] *local workforce development boards established under section 122 of the Employment, Training, and Literacy Enhancement Act,* and families of students with disabilities and their advocates to identify and achieve consensus on the general nature and specific application of transition services to meet the needs of youth with disabilities; and

* * * * * * *

(B) The Secretary shall give preference to those applications that, in addition to clearly addressing the requirements under subparagraph (A), describe how the State will—

(i) * * *

* * * * * * *

(iii) provide incentives for interagency and private sector resource pooling and otherwise investing in transition services, especially in the form of cooperative agreements, particularly with [PICS authorized by the JTPA] *local workforce development boards established under section 122 of the Employment, Training, and Literacy Enhancement Act* and local branches of State employment agencies;

(iv) provide for early, ongoing information and training for those involved with or who could be involved with transition services—professionals, parents, youth with disabilities, including self-advocacy training for such youth, and advocates for such youth as well as [PICS authorized by the JTPA] *local workforce development boards established under section 122 of the Employment, Training, and Literacy Enhancement Act* and local branches of State employment agencies;

(v) provide for the early and direct involvement of all relevant parties, including [PICS authorized by the JTPA] *local workforce development boards established under section 122 of the Employment, Training, and Literacy Enhancement Act* and local branches of State employment agencies, in operating and planning improvements in transition services, and the early and direct involvement of all relevant parties in planning and implementing transition services for individual youth;

(vi) provide access to training for eligible youth that matches labor market needs in their communities;

(vii) integrate transition services with relevant opportunities in communities, including those sponsored by [PICS authorized by the JTPA] *local workforce development boards established under section 122 of the Employment, Training, and Literacy Enhancement Act* and local employment agencies;

* * * * * * *

(g) The Secretary, as appropriate, shall coordinate programs described under subsection (a) with projects developed under section 311 of the Rehabilitation Act of 1973, [the Job Training Partnership Act (JTPA),] *the Employment, Training, and Literacy Enhancement Act* and the Carl D. Perkins Vocational and Applied Technology Education Act.

SECTION 302 OF THE DEPARTMENT OF EDUCATION ORGANIZATION ACT

TRANSFERS FROM THE DEPARTMENT OF LABOR

SEC. 302. (a) Notwithstanding the provisions of section 601 of this Act, there shall be transferred to the Secretary, at such time on or after the effective date of this Act as the Secretary certifies that there has been established in the Department a single component responsible for the administration and the coordination of programs relating to the education of migrants, all functions of the Secretary of Labor or the Department of Labor [under section 303(c)(2) of the Comprehensive Employment and Training Act] *realting to such education*.

* * * * * * *

NATIONAL SKILL STANDARDS ACT OF 1994

TITLE V—NATIONAL SKILL STANDARDS BOARD

* * * * * * *

SEC. 504. FUNCTIONS OF THE NATIONAL BOARD.

(a) * * *

* * * * * * *

(c) RESEARCH, DISSEMINATION, AND COORDINATION.—In order to support the activities described in subsections (b) and (d), the National Board shall—

(1) conduct workforce research relating to skill standards (including research relating to use of skill standards in compliance with civil rights laws) and make such research available to the public, including the voluntary partnerships described in subsection (b);

(2) identify and maintain a catalog of skill standards used by other countries and by States and leading firms and industries in the United States;

(3) serve as a clearinghouse to facilitate the sharing of information on the development of skill standards and other relevant information among representatives of occupations and industries identified pursuant to subsection (a), the voluntary partnerships described in subsection (b), and among education and training providers through such mechanisms as [the Ca-

pacity Building and Information and Dissemination Network established under section 453(b) of the Job Training Partnership Act (29 U.S.C. 1733(b)) and] the Educational Resources Information Center Clearinghouses;

* * * * * * *

SEC. 508. DEFINITIONS.

For purposes of this title, the following definitions apply:

[(1) COMMUNITY-BASED ORGANIZATIONS.—The term "community-based organizations" has the meaning given the term in section 4(5) of the Job Training Partnership Act (29 U.S.C. 1503(5)).]

(1) COMMUNITY-BASED ORGANIZATION.—The term "community-based organization" means a private nonprofit organization of demonstrated effectiveness that is representative of a community or a significant segment of a community and that provides workforce and career development activities, as defined in section 4 of the Employment, Training, and Literacy Enhancement Act.

* * * * * * *

SECTION 505 OF THE FREEDOM SUPPORT ACT

SEC. 505. LIMITATIONS ON DEFENSE CONVERSION AUTHORITIES.

Notwithstanding any other provision of law (including any other provision of this Act), funds may not be obligated in any fiscal year for purposes of facilitating the conversion of military technologies and capabilities and defense industries of the former Soviet Union into civilian activities, as authorized by sections 503(a)(6) and 504(a)(6) or any other provision of law, unless the President has previously obligated in the same fiscal year an amount equal to or greater than that amount of funds for defense conversion and defense transition activities in the United States. For purposes of this section, the term "defense conversion and defense transition activities in the United States" means those United States Government funded programs whose primary purpose is to assist United States private sector defense workers, United States companies that manufacture or otherwise provide defense goods or services, or United States communities adversely affected by reductions in United States defense spending, such as programs funded through the Office of Economic Adjustment in the Department of Defense[, through the Defense Conversion Adjustment Program (as authorized by the Job Training Partnership Act), or through] *or through* the Economic Development Administration.

EMERGENCY JOBS AND UNEMPLOYMENT ASSISTANCE ACT OF 1974

* * * * * * *

TITLE II—SPECIAL UNEMPLOYMENT ASSISTANCE PROGRAM

PART A—SPECIAL UNEMPLOYMENT ASSISTANCE

* * * * * * *

SPECIAL UNEMPLOYMENT ASSISTANCE PERIOD

SEC. 204. (a) * * *

(b) The Secretary shall [designate as an area under this section areas served by an entity which is eligible to be a prime sponsor under section 102(a) of the Comprehensive Employment and Training Act of 1973 (29 U.S.C. 812(a)).] *designate as an area under this section an area that is a local workforce development area under the Employment, Training, and Literacy Enhancement Act.*

* * * * * * *

PART B—REIMBURSEMENT FOR UNEMPLOYMENT BENEFITS PAID ON BASIS OF PUBLIC SERVICE EMPLOYMENT

* * * * * * *

DEFINITIONS

SEC. 223. As used in this part, the term—

(1) * * *

* * * * * * *

(3) "public service job" means any public service job funded with [assistance provided under the Comprehensive Employment and Training Act of 1973;] *assistance provided under the Employment, Training, and Literacy Enhancement Act;*

(4) "public service wages" means remuneration for services performed in a public service job to the extent that such remuneration is paid with [funds provided under the Comprehensive Employment and Training Act of 1973;] *funds provided under the Employment, Training, and Literacy Enhancement Act;*

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REHABILITATION ACT OF 1973

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* * * * * * *

REHABILITATION SERVICES ADMINISTRATION

SEC. 3. (a) * * *

(b) The Secretary shall take whatever action is necessary to insure that funds appropriated pursuant to this Act[, as well as unexpended appropriations for carrying out the Vocational Rehabilitation Act (29 U.S.C. 31–42),] are expended only for the programs, personnel, and administration of programs carried out under this Act.

[(c) The Secretary shall take such action as necessary to ensure that—

[(1) the staffing of the Rehabilitation Services Administration shall be in sufficient numbers to meet program needs and at levels which will attract and maintain the most qualified personnel; and

[(2) such staff includes individuals who have training and experience in the provision of rehabilitation services and that staff competencies meet professional standards.]

* * * * * * *

DEFINITIONS

SEC. 7. For the purposes of this Act:

(1) The term "administrative costs" means—

(A) expenditures not incurred by the State unit for—

(i) rehabilitation counselors;

(ii) rehabilitation case coordinators; or

(iii) other direct service personnel; and

(B) notwithstanding subparagraph (A) includes expenditures incurred by the State unit in the performance of administrative functions under the vocational rehabilitation program, including expenses related to program planning, development, monitoring, and evaluation, including—

(i) quality assurance;

(ii) budgeting, accounting, financial management, information systems, and related data processing;

(iii) providing information about the program to the public;

(iv) technical assistance to other State agencies, private nonprofit organizations, and businesses and industries;

(v) the State Rehabilitation Advisory Council and other advisory committees;

(vi) professional organization membership dues for State unit employees;

(vii) the removal architectural barriers in State vocational rehabilitation agency offices and State operated rehabilitation facilities;

(viii) operating and maintaining State unit facilities, equipment, and grounds;

(ix) supplies;

(x) administration of the comprehensive system of personnel development, including personnel administration, administration of affirmative action plans, and training and staff development, administrative salaries, including clerical and other support staff salaries, in support of these functions;

(xi) travel costs related to carrying out the program, other than travel costs related to the provision of services;

(xii) costs incurred in conducting reviews of rehabilitation counselor or coordinator determinations; and

(xiii) legal expenses required in the administration of the program.

[(22)] *(2)* The term "assessment for determining eligibility and vocational rehabilitation needs" means, as appropriate in each case—

(A) * * *

* * * * * * *

[(23)] *(3)* The term "assistive technology device" has the meaning given such term in section 3(2) of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 (29 U.S.C. 2202(2)), except that the reference in such section to the term "individuals with disabilities" shall be deemed to mean more than one individual with a disability as defined in paragraph (8)(A).

[(24)**]** *(4)* The term "assistive technology service" has the meaning given such term in section 3(3) of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 (29 U.S.C. 2202(3)), except that the reference in such section—

(A) to the term "individual with a disability" shall be deemed to mean an individual with a disability, as defined in paragraph (8)(A); and

(B) to the term "individuals with disabilities" shall be deemed to mean more than one such individual.

[(25)**]** *(5)* The term "community rehabilitation program" means a program that provides directly or facilitates the provision of vocational rehabilitation services to individuals with disabilities, and that provides, singly or in combination, for an individual with a disability to enable the individual to maximize opportunities for employment, including career advancement—

(A) * * *

* * * * * * *

[(1)**]** *(6)* The term "construction" means the construction of new buildings, the acquisition, expansion, remodeling, alteration, and renovation of existing buildings, and initial equipment of such buildings, and the term "cost of construction" includes architects' fees and acquisition of land in connection with construction but does not include the cost of offsite improvements.

[(2)**]** *(7)* The term "criminal act" means any crime, including an act, omission, or possession under the laws of the United States or a State or unit of general local government, which poses a substantial threat of personal injury, notwithstanding that by reason of age, insanity, intoxication or otherwise the person engaging in the act, omission, or possession was legally incapable of committing a crime.

[(3)**]** *(8)*(A) The term "designated State agency" means an agency designated under section 101(a)(1)(A).

(B) The term "designated State unit" means (i) any State agency unit required under section 101(a)(2)(A) of this Act, or (ii) in cases in which no such unit is so required, the State agency described in section 101(a)(1)(B)(i) of this Act.

[(26)**]** *(9)* The term "disability" means—

(A) except as otherwise provided in subparagraph (B), a physical or mental impairment that constitutes or results in a substantial impediment to employment; or

(B) for purposes of sections 2, 14, and 15, and titles II, IV, V, and VII, a physical or mental impairment that substantially limits one or more major life activities.

[(4)**]** *(10)*(A) The term "drug" means a controlled substance, as defined in schedules I through V of section 202 of the Controlled Substances Act (21 U.S.C. 812).

(B) The term "illegal use of drugs" means the use of drugs, the possesison or distribution of which is unlawful under the Controlled Substances Act. Such term does not include the use of a drug taken under supervision by a licensed health care professional, or other uses authorized by the Controlled Substances Act or other provisions of Federal law.

[(5)] *(11)* The term "employment outcome" means, with respect to an individual, entering or retaining full-time or, if appropriate, part-time competitive employment in the integrated labor market (including satisfying the vocational outcome of supported employment) or satisfying any other vocational outcome the Secretary may determine, consistent with this Act.

[(12) The term "public safety officer" means a person serving the United States or a State or unit of general local government, with or without compensation, in any activity pertaining to—

[(A) the enforcement of the criminal laws, including highway patrol, or the maintenance of civil peace by the National Guard or the Armed Forces,

[(B) a correctional program, facility, or institution where the activity is potentially dangerous because of contact with criminal suspects, defendants, prisoners, probationers, or parolees,

[(C) a court having criminal or juvenile delinquent jurisdiction where the activity is potentially dangerous because of contact with criminal suspects, defendants, prisoners, probationers, or parolees, or

[(D) firefighting, fire prevention, or emergency rescue missions.]

[(6)] *(12)* The term "establishment of a community rehabilitation program" includes the acquisition, expansion, remodeling, or alteration of existing buildings necessary to adapt them to community rehabilitation program purposes or to increase their effectiveness for such purposes (subject, however, to such limitations as the Secretary may determine, in accordance with regulations the Secretary shall prescribe, in order to prevent impairment of the objectives of, or duplication of, other Federal laws providing Federal assistance in the construction of facilities for community rehabilitation programs), and may include such additional equipment and staffing as the Commissioner considers appropriate.

[(27)] *(13)* The term "extended services" means ongoing support services and other appropriate services, needed to support and maintain an individual with the most severe disability in supported employment, that—

(A) are provided singly or in combination and are organized and made available in such a way as to assist an eligible individual in maintaining integrated, competitive employment;

(B) are based on a determination of the needs of an eligible individual, as specified in an individualized written rehabilitation program; and

(C) are provided by a State agency, a nonprofit private organization, employer, or any other appropriate resource, after an individual has made the transition from support provided by the designated State unit.

[(7)] *(14)*(A) Subject to subparagraphs (B) and (C), the term "Federal share" means 78.7 percent.

(B) The term "Federal share" means 90 percent for the purposes of part C of title I of this Act and as specifically set forth in section 111(a)(3), except that with respect to payments pursuant to part B of title I of this Act to any State which are used to meet the costs of construction of those rehabilitation facilities identified in section 103(b)(2) in such State, the Federal share shall be the percentages determined in accordance with the provisions of section 111(a)(3) applicable with respect to the State.

(C) For the purpose of determining the non-Federal share with respect to a State, expenditures by a political subdivision thereof or by a local agency shall be regarded as expenditures by such State, subject to such limitations and conditions as the Secretary shall by regulation prescribe.

[(28)**]** *(15)*(A) The term "impartial hearing officer" means an individual—

(i) who is not an employee of a public agency (other than an administrative law judge, hearing examiner, or employee of an institution of higher education);

(ii) who is not a member of the State Rehabilitation Advisory Council described in section 105;

(iii) who has not been involved in previous decisions regarding the vocational rehabilitation of the applicant or client;

(iv) who has knowledge of the delivery of vocational rehabilitation services, the State plan under section 101, and the Federal and State rules governing the provision of such services and training with respect to the performance of official duties; and

(v) who has no personal or financial interest that would be in conflict with the objectivity of the individual.

(B) An individual shall not be considered to be an employee of a public agency for purposes of subparagraph (A)(i) solely because the individual is paid by the agency to serve as a hearing officer.

[(29)**]** *(16)* The term "independent living core services" means—

(A) information and referral services;

(B) independent living skills training;

(C) peer counseling (including cross-disability peer counseling); and

(D) individual and systems advocacy.

[(30)**]** *(17)* The term "independent living services" includes—

(A) * * *

* * * * * * *

[(20)**]** *(18)* The terms "Indian", "American Indian", and "Indian American" means an individual who is a member of an Indian tribe.

[(21)**]** *(19)* The term "Indian tribe" means any Federal or State Indian tribe, band, rancheria, pueblo, colony, or community, including any Alaskan native village or regional village corporation (as defined in or established pursuant to the Alaska Native Claims Settlement Act).

[(8)**]** *(20)*(A) Except as otherwise provided in subparagraph (B), the term "individual with a disability" means any individual who (i) has a physical or mental impairment which for such individual constitutes or results in a substantial impediment to employment and (ii) can benefit in terms of an employment outcome from vocational rehabilitation services provided pursuant to title I, III, VI, or VIII of this Act.

* * * * * * *

[(31)**]** *(21)*(A) The term "individuals with disabilities" means more than one individual with a disability.

(B) The term "individuals with severe disabilities" means more than one individual with a severe disability.

(C) The term "individuals with the most severe disabilities" means more than one individual with the most severe disability.

[(15)**]** *(22)*(A) Except as provided in subparagraph (B) or (C), the term "individual with a severe disability" means an individual with a disability—

(i) * * *

* * * * * * *

[(32)**]** *(23)* The term "institution of higher education" has the meaning given the term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

[(9)**]** *(24)* The term "local agency" means an agency of a unit of general local government or of an Indian tribe (or combination of such units or tribes) which has an agreement with the State agency designated pursuant to section 101(a)(1) to conduct a vocational rehabilitation program under the supervision of such State agency in accordance with the State plan approved under section 101. Nothing in the preceding sentence of this paragraph or in section 101 shall be construed to prevent the local agency from utilizing another local public or nonprofit agency to provide vocational rehabilitation services: *Provided,* That such an arrangement is made part of the agreement specified in this paragraph.

[(10)**]** *(25)* The term "nonprofit", when used with respect to a community rehabilitation program, means a community rehabilitation program carried out by a corporation or association, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual and the income of which is exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1954.

[(33)**]** *(26)* The term "ongoing support services" means services—

(A) * * *

* * * * * * *

[(11)**]** *(27)* The term "personal assistance services" means a range of services, provided by one or more persons, designed to assist an individual with a disability to perform daily living activities on or off the job that the individual would typically perform if the individual did not have a disability. Such services shall be designed to increase the individual's control in life and ability to perform everyday activities on or off the job.

[(19)**]** *(28)* The term "public or nonprofit", with respect to an agency or organization, includes an Indian tribe.

[(13)**]** *(29)* The term "rehabilitation technology" means the systematic application of technologies, engineering methodologies, or scientific principles to meet the needs of and address the barriers confronted by individuals with disabilities in areas which include education, rehabilitation, employment, transportation, independent living, and recreation. The term includes rehabilitation engineering, assistive technology devices, and assistive technology services.

[(14)**]** *(30)* The term "Secretary", except when the context otherwise requires, means the Secretary of Education.

[(16)**]** *(31)* The term "State" includes, in addition to each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Republic of Palau (until the Compact of Free Association with Palau takes effect).

[(18)**]** *(32)*(A) The term "supported employment" means competitive work in integrated work settings for individuals with the most severe disabilities—

(i)(I) for whom competitive employment has not traditionally occurred; or

(II) for whom competitive employment has been interrupted or intermittent as a result of a severe disability; and

(ii) who, because of the nature and severity of their disability, need intensive supported employment services for the period, and any extension, described in paragraph (34)(C) and extended services after the transition described in paragraph (27)(C) in order to perform such work.

(B) Such term includes transitional employment for persons who are individuals with the most severe disabilities due to mental illness.

[(34)**]** *(33)* The term "supported employment services" means ongoing support services and other appropriate services needed to support and maintain an individual with the most severe disability in supported employment, that—

(A) * * *

* * * * * * *

[(35)**]** *(34)* The term "transition services" means a coordinated set of activities for a student, designed within an outcome-oriented process, that promotes movement from school to post school activities, including post secondary education, vocational training, integrated employment (including supported employment), continuing and adult education, adult services, independent living, or community participation. The coordinated set of activities shall be based upon the individual student's needs, taking into account the student's preferences and interests, and shall include instruction, community experiences, the development of employment and other post school adult living objectives, and, when appropriate, acquisition of daily living skills and functional vocational evaluation.

[(17)**]** *(35)* The term "vocational rehabilitation services" means those services identified in section 103 which are provided to individuals with disabilities under this Act.

* * * * * * *

REPORTS

SEC. 13. Not later than one hundred and eighty days after the close of each fiscal year, the Commissioner shall prepare and submit to the President and to the Congress a full and complete report on the activities carried out under this Act, including the activities and staffing of the information clearinghouse under section 15. The Commissioner shall annually collect information on each client whose case is closed out in the preceding fiscal year and include the information in the report required by this section. The information shall set forth a complete count of such cases in a manner permitting the greatest possible cross-classification of data. *The Commissioner shall also annually collect information with respect to the title I, vocational rehabilitation services program, on administrative costs and other expenditures under the program.* The data elements shall include, but not be limited to, age, sex, race, ethnicity, education, type of disability, severity of disability, key rehabilitation process dates, earnings at time of entry into program and at closure, work status, occupation, cost of case services, types of services provided, including types of rehabilitation technology services provided, types of facilities or agencies which furnished services and whether each such facility or agency is public or private, and reasons for closure. The Commissioner shall take whatever action is necessary to assure that the identity of each client for which information is supplied under this subsection is confidential. Such annual reports shall also include statistical data reflecting services and activities provided individuals during the preceding fiscal year. The annual report shall include an evaluation of the status of individuals with severe disabilities participating in programs under this Act.

* * * * * * *

TITLE I—VOCATIONAL REHABILITATION SERVICES

PART A—GENERAL PROVISIONS

DECLARATION OF POLICY; AUTHORIZATION OF APPROPRIATIONS

SEC. 100. (a)(1) * * *

(b)(1) For the purpose of making grants to States under part B (other than grants under section 112) to assist States in meeting the costs of vocational rehabilitation services provided in accordance with State plans under section 101, there are authorized to be appropriated such sums as may be necessary for [fiscal years 1993 through 1997] *fiscal years 1998, 1999, and 2000*, except that the amount to be appropriated for a fiscal year shall not be less than the amount of the appropriation under this subsection for the immediately preceding fiscal year, plus the amount of the Consumer Price Index addition determined under subsection (c) for the immediately preceding fiscal year.

(2) There are authorized to be appropriated to carry out part C such sums as may be necessary for [fiscal years 1993 through 1997] *fiscal years 1998, 1999, and 2000*.

STATE PLANS

SEC. 101. (a) In order to be eligible to participate in programs under this title, a State shall submit to the Commissioner a State plan for vocational rehabilitation services for a 3-year period, or shall submit the plan on such date, and at such regular intervals, as the Secretary may determine to be appropriate to coincide with the intervals at which the State submits State plans under other Federal laws, such as part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.). In order to be eligible to participate in programs under this title, a State, upon the request of the Commissioner, shall make such annual revisions in the plan as may be necessary. Each such plan shall—

(1) * * *

* * * * * * *

(4) provide that the plan shall be in effect in all political subdivisions[, except that in the case] , *except that—*

(A) in the case of any activity which, in the judgment of the Commissioner, is likely to assist in promoting the vocational rehabilitation of substantially larger numbers of individuals with disabilities or groups of individuals with disabilities the Commissioner may waive compliance with the requirement herein that the plan be in effect in all political subdivisions of the State to the extent and for such period as may be provided in accordance with regulations prescribed by the Commissioner, but only if the non-Federal share of the cost of such vocational rehabilitation services is met from funds made available by a local agency (including, [to the extent permitted by such regulations,] funds contributed to such agency by a private agency, organization, or individual); *and*

(B) in the case of earmarked funds used as the State match for Federal funds, where such funds are earmarked for particular geographic areas within a State;

* * * * * * *

(7)(A) include a description (consistent with the purposes of this Act) of a comprehensive system of personnel development, [which shall include—

[(i) a description] *which shall include a description* of the procedures and activities the State agency will undertake to ensure an adequate supply of qualified State rehabilitation professionals and paraprofessionals for the designated State unit, including the development and maintenance of a system for determining, [on an annual basis—

[(I) the number and type] *on an annual basis the number and type* of personnel that are employed by the State agency in the provision of vocational rehabilitation services, including ratios of [counselors to clients; and] *counselors to clients;*

[(II) the number and type of personnel needed by the State, and a projection of the numbers of such personnel that will be needed in 5 years, based on projections of the number of individuals to be served, the number of such personnel who are expected to retire or leave the field, and other relevant factors;

[(ii) where appropriate, a description of the manner in which activities will be undertaken through this section to coordinate the system of personnel development with personnel development under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.);

[(iii) a description of the development and maintenance of a system of determining, on an annual basis, information on the institutions of higher education within the State that are preparing rehabilitation professionals, including—

[(I) the numbers of students enrolled in such programs; and

[(II) the number who graduated with certification or licensure, or with credentials to qualify for certification or licensure, during the past year;

[(iv) a description of the development, updating, and implementation of a plan that—

[(I) will address the current and projected vocational rehabilitation services personnel training needs for the designated State unit; and

[(II) provides for the coordination and facilitation of efforts between the designated State unit and institutions of higher education (as defined in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))) and professional associations to recruit, prepare and retain qualified personnel, including personnel from minority backgrounds, and personnel who are individuals with disabilities; and

[(v) a description of the procedures and activities the State agency will undertake to ensure that all personnel employed by the designated State unit are appropriately and adequately trained and prepared, including—

[(I) a system for the continuing education of rehabilitation professionals and paraprofessionals within the designated State unit, particularly with respect to rehabilitation technology; and

[(II) procedures for acquiring and disseminating to rehabilitation professionals and paraprofessionals within the designated State unit significant knowledge from research and other sources, including procedures for providing training regarding the amendments to the Rehabilitation Act of 1973 made by the Rehabilitation Act Amendments of 1992;]

* * * * * * *

(11)(A) provide for interagency cooperation with, and the utilization of the services and facilities of, the State agencies administering the State's public assistance programs, other programs for individuals with disabilities, veterans programs, community mental health programs, manpower programs, and public employment offices, and the Social Security Administration of the Department of Health and Human Services, the Department of Veterans Affairs, and other Federal, State, and local public agencies providing services related to the rehabilitation of individuals with disabilities (specifically including arrangements for the coordination of services to individuals eligible for services under this Act, the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq), the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.), [and] the Javits-Wagner-O'Day Act (41 U.S.C. 46 et seq.), *and State use contracting programs*;

* * * * * * *

[(13)(A) provide that vocational rehabilitation services provided under the State plan shall be available to any civil employee of the United States who is disabled while in the performance of the employee's duty on the same terms and conditions as apply to other persons, and

[(B) provide that special considerations will be given to the rehabilitation under this Act of an individual with a disability whose disability was sustained in the line of duty while such individual was performing as a public safety officer if the proximate cause of such disability was a criminal act, apparent criminal act, or hazardous condition resulting directly from the officer's performance of duties in direct connection with the enforcement, execution, and administration of law or fire prevention, firefighting, or related public safety activities;]

[(14)] *(13)* provide that no residence requirement will be imposed which excludes from services under the plan any individual who is present in the State;

[(15)] *(14)* provide for continuing statewide studies of the needs of individuals with disabilities and how these needs may be most effectively met, including—

(A) a full needs assessment for serving individuals with severe disabilities;

(B) an assessment of the capacity and effectiveness of community rehabilitation programs, plans for improving such programs, and policies for the use thereof by the State agency;

(C) review of the efficacy of the criteria employed with respect to ineligibility determinations described in paragraph (9)(C) of this subsection with a view toward the relative need for services to significant segments of the population of individuals with disabilities and the need for expansion of services to those individuals with the most severe disabilities; and

(D) outreach procedures to identify and serve individuals with disabilities who are minorities and individuals with disabilities who have been unserved or underserved by the vocational rehabilitation system;

[(16)] *(15)* provide for—

(A)(i) at least annual review and reevaluation of the status of each individual with a disability placed in an extended employment setting in a community rehabilitation program (including a workshop) or other employment under section 14(c) of the Fair Labor Standards Act (29 U.S.C. 214(c)), to determine the interests, priorities, and needs of the individual for employment, or training for competitive employment, in an integrated setting in the labor market; and

(ii) input into the review and reevaluation by the individual with a disability, or, in an appropriate case, a parent, a family member, a guardian, an advocate, or an authorized representative, of the individual, if the individual requests, desires, or needs assistance;

(B) maximum efforts, including the identification of vocational rehabilitation services, reasonable accommodations, and other support services, to enable such an individual to benefit from training or to be placed in employment in an integrated setting; and

(C) services designed to promote movement from extended employment to integrated employment, including supported employment, independent living, and community participation;

[(17) provide that if, under special circumstances, the State plan includes provisions for the construction of facilities for community rehabilitation programs—

[(A) the Federal share of the cost of construction thereof for a fiscal year will not exceed an amount equal to 10 per centum of the State's allotment for such year,

[(B) the provision of section 306 shall be applicable to such construction and such provisions shall be deemed to apply to such construction, and

[(C) there shall be compliance with regulations the Commissioner shall prescribe designed to assure that no State will reduce its efforts in providing other vocational rehabilitation services (other than for the establishment of facilities for community rehabilitation programs) because its plan includes such provisions for construction;]

[(18)] *(16)* provide satisfactory assurances to the Commissioner that the State agency designated pursuant to paragraph (1) (or each State agency if two are so designated) and any sole local agency administering the plan in a political subdivision of the State will take into account, in connection with matters of general policy arising in the administration of the plan, the views of individuals and groups thereof who are recipients of vocational rehabilitation services (or, in appropriate cases, their parents or guardians), personnel working in the field of vocational rehabilitation, providers of vocational rehabilitation services, and the Director of the client assistance program under section 112;

[(19)] *(17)* provide satisfactory assurances to the Commissioner that the continuing studies required under paragraph (15) of this subsection, as well as an annual evaluation of the effectiveness of the program in meeting the goals and priorities set forth in the plan, will form the basis for the submission, from time to time as the Commissioner may require, of appropriate amendments to the plan, and for developing and updating the strategic plan required under part C;

[(20)] *(18)* provide satisfactory assurances to the Commissioner that, as appropriate, the State shall actively consult with Indian tribes and tribal organizations and native Hawaiian organizations in the development of the State plan, and that, except as otherwise provided in section 130, the State shall provide vocational rehabilitation services to American Indians who are individuals with disabilities residing in the State to the same extent as the State provides such services to other significant segments of the population of individuals with disabilities residing in the State;

[(21)] *(19)* provide that the State agency has the authority to enter into contracts with profitmaking organizations for the purpose of providing on-the-job training and related programs for individuals with disabilities under part B of title VI upon a determination by such agency that such profitmaking organizations are better qualified to provide such rehabilitation services than nonprofit agencies and organizations;

[(22)] *(20)* provide for the establishment and maintenance of information and referral programs (the staff of which shall include, to the maximum extent feasible, interpreters for individuals who are deaf) in sufficient numbers to assure that individuals with disabilities within the State are afforded accurate vocational rehabilitation information and appropriate referrals to other Federal and State programs and activities which would benefit them;

[(24)] *(21)* contain plans, policies, and procedures to be followed (including entering into a formal interagency cooperative agreement, in accordance with paragraph (11)(C)(ii), with education officials responsible for the provision of a free appropriate public education to [students who are individuals] *students* with disabilities) that are designed to—

(A) facilitate the development and accomplishment of—

(i) long-term rehabilitation goals;

(ii) intermediate rehabilitation objectives; and

(iii) goals and objectives related to enabling a student to live independently before the student leaves a school setting,

to the extent the goals and objectives described in clauses (i) through (iii) are included in an individualized education program of the student, including the specification of plans for coordination with the educational agencies in the provision of transition services;

(B) facilitate the transition from the provision of a free appropriate public education under the responsibility of an educational agency to the provision of vocational rehabilitation services under the responsibility of the designated State unit, including the specification of plans for coordination with educational agencies in the provision of transition services authorized under section 103(a)(14) to an individual, consistent with the [individualized written rehabilitation program] *individualized education program* of the individual; and

(C) provide that such plans, policies, and procedures will address—

(i) provisions for determining State lead agencies and qualified personnel responsible for transition services;

(ii) procedures for outreach to and identification of youth in need of such services; and

(iii) a timeframe for evaluation and followup of youth who have received such services;

[(25)] *(22)* provide assurances satisfactory to the [Secretary] *Commissioner* that the State has an acceptable plan for carrying out part C of title VI, including the use of funds under that part to supplement funds under part B of this title for the cost of services leading to supported employment;

[(26)] *(23)* describe the manner in which on-the-job or other related personal assistance services will be provided to assist individuals with disabilities while the individuals are receiving vocational rehabilitation services;

[(27)] *(24)* describe the manner in which cooperative agreements with private nonprofit vocational rehabilitation service providers will be established;

[(28)] *(25)* identify the needs and utilization of community rehabilitation programs under the Act commonly known as the Wagner-O'Day Act (41 U.S.C. 46 et seq.) *and State use contracting programs*;

[(29)**]** *(26)* describe the manner in which individuals with disabilities will be given choice and increased control in determining their vocational rehabilitation goals and objectives;

[(30) describe the manner in which students who are individuals with disabilities and who are not in special education programs can access and receive vocational rehabilitation services, where appropriate;**]**

[(31)**]** *(27)* describe the manner in which assistive technology devices and services will be provided, or worksite assessments will be made as part of the assessment for determining eligibility and vocational rehabilitation needs of an individual;

[(32)**]** *(28)* describe the manner in which the State will modify the policies and procedures of the State based on consumer satisfaction surveys conducted by the State Rehabilitation Advisory Council or independent commission described in paragraph (36);

[(33)**]** *(29)* provide for coordination **[**and working relationships**]** with the Statewide Independent Living Council established under section 705 and independent living centers within the State;

[(34)**]** *(30)* provide satisfactory assurances to the Commissioner that the State—

(A) has developed and implemented a strategic plan for expanding and improving vocational rehabilitation services for individuals with disabilities on a statewide basis in accordance with part C of this title; and

(B) will use at least 1.5 percent of the allotment of the State under section 110 for the uses described in section 123;

[(35)**]** *(31)*(A) describe how the system for evaluating the performance of rehabilitation counselors, coordinators, and other personnel used in the State facilitates the accomplishment of the purpose and policy of this title, including the policy of serving, among others, individuals with the most severe disabilities; and

(B) provide satisfactory assurances that the system in no way impedes such accomplishment; and

[(36)**]** *(32)* provide satisfactory assurances to the Commissioner that—

(A)(i) the State has established a State Rehabilitation Advisory Council that meets the criteria set forth in section 105;

(ii) the designated State agency and the designated State unit seek and seriously consider on a regular and ongoing basis advice from the Council regarding the development and implementation of the State plan and the strategic plan and amendments to the plans, and other policies and procedures of general applicability pertaining to the provision of vocational rehabilitation services in the State;

(iii) the designated State agency includes, in its State plan or an amendment to the plan, a summary of advice provided by the Council, including recommendations from the annual report of the Council, the survey of consumer satisfaction, and other reports prepared by the Council, and the response of the designated State agency to such advice and recommendations (including explanations with respect to advice and recommendations that were rejected); and

(iv) the designated State unit transmits to the Council—

(I) all plans, reports, and other information required under the Act to be submitted to the Commissioner;

(II) all policies, practices, and procedures of general applicability provided to or used by rehabilitation personnel; and

(III) copies of due process hearing decisions, which shall be transmitted in such a manner as to preserve the confidentiality of the participants in the hearings;

(B) an independent commission—

(i) is responsible under State law for operating, or overseeing the operation of, the vocational rehabilitation program in the State;

(ii) is consumer-controlled by persons who—

(I) are individuals with physical or mental impairments that substantially limit major life activities; and

(II) represent individuals with a broad range of disabilities;

(iii) includes individuals representing family members, advocates, and authorized representatives of individuals with mental impairments; and

(iv) undertakes the function set forth in section 105(c)(3); or

(C) in the case of a State that, under section 101(a)(1)(A)(i), designates a State agency to administer the part of the State plan under which vocational rehabilitation services are provided for individuals who are blind and designates a separate State agency to administer the remainder of the State plan—

(i) an independent commission is responsible under State law for operating, or overseeing the operation of, the vocational rehabilitation programs of both such agencies and meets the requirements of clauses (ii) and (iv) of subparagraph (B);

(ii)(I) an independent commission is responsible under State law for operating, or overseeing the operation of, the vocational rehabilitation program in the State for individuals who are blind, is consumer-controlled by and represents individuals who are blind, and undertakes the function set forth in section 105(c)(3); and

(II) an independent commission is responsible under State law for operating, or overseeing the operation of, the vocational rehabilitation program in the State for all individuals with disabilities except for individuals who are blind and meets the requirements of clauses (ii) and (iv) of subparagraph (B); or

(iii)(I) an independent commission is responsible under State law for operating, or overseeing the operation of, the vocational rehabilitation program in the State for individuals who are blind, is consumer-controlled by and represents individuals who are blind, and undertakes the function set forth in section 105(c)(3); and

(II) the State has established a State Rehabilitation Advisory Council that meets the criteria set forth in section 105 and carries out the duties of such a Council with respect to functions for, and services provided to, individuals with disabilities except for individuals who are blind.

(b) The Commissioner shall approve any plan which the Commissioner finds fulfills the conditions specified in subsection (a) of this section, and shall disapprove any plan which does not fulfill such conditions. Prior to such disapproval, the Commissioner shall notify a State of the intention to disapprove its plan, and shall afford such State reasonable notice and opportunity for hearing.

SCOPE OF VOCATIONAL REHABILITATION SERVICES

SEC. 103. (a) Vocational rehabilitation services provided under this Act are any goods or services necessary to render an individual with a disability employable, including, but not limited to, the following:

(1) * * *

* * * * * * *

[(7) recruitment and training services for individuals with disabilities to provide them with new employment opportunities in the fields of rehabilitation, health, welfare, public safety, and law enforcement, and other appropriate service employment;]

[(8)] *(7)* rehabilitation teaching services and orientation and mobility services for individuals who are blind;

[(9)] *(8)* occupational licenses, tools, equipment, and initial stocks and supplies;

[(10)] *(9)* transportation in connection with the rendering of any vocational rehabilitation service;

[(11)] *(10)* telecommunications, sensory, and other technological aids and devices;

[(12)] *(11)* rehabilitation technology services;

[(13)] *(12)* referral and other services designed to assist individuals with disabilities in securing needed services from other agencies through agreements developed under section 101(a)(11), if such services are not available under this Act;

[(14)] *(13)* transition services that promote or facilitate the accomplishment of long-term rehabilitation goals and intermediate rehabilitation objectives;

[(15)] *(14)* on-the-job or other related personal assistance services provided while an individual with a disability is receiving services described in this section; and

[(16)] *(15)* supported employment services.

* * * * * * *

SEC. 105. STATE REHABILITATION ADVISORY COUNCIL.

(a) * * *

* * * * * * *

[(i) USE OF EXISTING COUNCILS.—To the extent that a State has established a Council before September 30, 1992, that is comparable to the Council described in this section, such established Council shall be considered to be in compliance with this section. Within 1 year after the date of enactment of the Rehabilitation Act Amendments of 1992, such State shall establish a Council that complies in full with this section.]

SEC. 106. EVALUATION STANDARDS AND PERFORMANCE INDICATORS.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—The Commissioner shall, not later than September 30, 1994, establish and publish evaluation standards and performance indicators for the vocational rehabilitation program under this title. *After such date, the Commissioner shall review and, if necessary, revise the evaluation standards and performance indicators every three years. Any necessary revisions shall be developed with input from State vocational rehabilitation agencies, related professional and consumer organizations, recipients of vocational rehabilitation services, and other interested parties. Any proposed revisions shall be subject to the notice, publication, and comment provisions described in paragraph (3).*

* * * * * * *

SEC. 107. MONITORING AND REVIEW.

(a) IN GENERAL.—

(1) * * *

* * * * * * *

(5) MONITORING AND REVIEW REPORTS.—Any reports detailing the findings of the annual reviews and periodic on-site monitoring visits shall be made available to the State Rehabilitation Advisory Council for use in the development and modification of the State plan.

PART B—BASIC VOCATIONAL REHABILITATION SERVICES

* * * * * * *

SEC. 111. (a)(1) * * * State referred to in section 101(a)(34)(B).

(2)(A) The total of payments under paragraph (1) to a State for a fiscal year may not exceed its allotment under subsection (a) of section 110 for such year and such payments shall not be made in an amount which would result in a violation of the provisions of the State plan required by section 101(a)(17).

(B)[(i) For fiscal year 1993, the amount otherwise payable to a State for a fiscal year under this section shall be reduced by the amount by which expenditures from non-Federal sources under the State plan under this title for the previous fiscal year are less than the average of the total of such expenditures for the 3 fiscal years preceding the previous fiscal year.

[(ii)] For fiscal year 1994 and each fiscal year thereafter, the amount otherwise payable to a State for a fiscal year under this section shall be reduced by the amount by which expenditures from non-Federal sources under the State plan under this title for the previous fiscal year are less than the total of such expenditures for the second fiscal year preceding the previous fiscal year.

* * * * * * *

CLIENT ASSISTANCE PROGRAM

SEC. 112. (a) * * *

* * * * * * *

(h) There are authorized to be appropriated such sums as may be necessary for [fiscal years 1993 through 1997] *fiscal years 1998, 1999, and 2000* to carry out the provisions of this section.

* * * * * * *

TITLE II—RESEARCH AND TRAINING

* * * * * * *

AUTHORIZATION OF APPROPRIATIONS

SEC. 201. (a) There are authorized to be appropriated—

(1) for the purpose of providing for the expenses of the National Institute on Disability and Rehabilitation Research under section 202, which shall include the expenses of the Rehabilitation Research Advisory Council under section 205, and shall not include the expenses of such Institute to carry out section 204, such sums as may be necessary for [each of fiscal years 1993 through 1997] *fiscal years 1998, 1999, and 2000*; and

(2) to carry out section 204, such sums as may be necessary for [each of fiscal years 1993 through 1997] *fiscal years 1998, 1999, and 2000.*

(b) Funds appropriated under this title shall remain available until expended.

NATIONAL INSTITUTE ON DISABILITY AND REHABILITATION RESEARCH

SEC. 202. (a) * * *

* * * * * * *

(c)(1) The Director of the Institute shall be appointed by the Secretary[, except that the person serving as the Director on the date of the enactment of the Rehabilitation Act Amendments of 1992 may, at the pleasure of the President, continue to serve as Director. The Director shall be an individual with substantial experience in rehabilitation and in research administration. The Director shall be compensated at the rate payable for level V of the Executive Schedule under section 5316 of title 5, United States Code. The Director shall not delegate any of his functions to any officer who is not directly responsible to the Director.

[(2) There shall be a Deputy Director of the Institute (hereinafter in this section referred to as the "Deputy Director") who shall be appointed by the Secretary. The Deputy Director shall be an individual with substantial experience in rehabilitation and in research administration. The Deputy Director shall be compensated at the rate of pay for level 4 of the Senior Executive Service Schedule under section 5382 of title 5, United States Code, and shall act for the Director during the absence of the Director or the inability of the Director to perform the essential functions of the job, exercising such powers as the Director may prescribe. In the case of any vacancy in the office of the Director, the Deputy Director shall serve as Director until a Director is appointed under paragraph (1). The position created by this paragraph shall be in addition to the number of positions placed in grade GS–17 of the General Schedule under section 5108 of title 5, United States Code.

[(3) The Director, subject to the approval of the President, may appoint, for terms not to exceed three years, without regard to the provisions of title 5, United States Code, governing appointment in the competitive service, and may compensate, without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, such technical and professional employees of the Institute as the Director deems necessary to accomplish the functions of the Institute and also appoint and compensate without regard to such provisions, in a number not to exceed one-fifth of the number of full-time, regular technical and professional employees of the Institute].

[(4)] *(2)* The Director may obtain the services of consultants, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service.

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TITLE III—TRAINING AND DEMONSTRATION PROJECTS

PART A—TRAINING PROGRAMS AND COMMUNITY REHABILITATION PROGRAMS

* * * * * * *

TRAINING

SEC. 302. (a) * * *

(b)(1)(A) In making such grants or contracts, the Commissioner shall target funds made available for any year to areas of personnel shortage.

(B) Projects described in subsection (a) may include—

(i) * * *

* * * * * * *

(iv) projects to train personnel in the use, applications, and benefits of assistive technology devices and assistive technology services (as defined in paragraphs (2) and (3) of section 3 of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 (29 U.S.C. 2202 (2) and (3))).

* * * * * * *

[(e)(1) In carrying out subsection (a), the Commissioner shall award two grants to States, public or nonprofit private agencies and organizations, and institutions of higher education to support the formation of consortia or partnerships of public or nonprofit private entities for the purpose of providing opportunities for career advancement or competency-based training to current employees of public or nonprofit private agencies that provide services to individuals with disabilities. Such opportunities shall include certificate or degree granting programs in vocational rehabilitation services and related services.

[(2) An entity that receives a grant under paragraph (1) may use the grant for purposes including—

[(A) establishing a program with an institution of higher education to develop creative new programs and coursework options, or to expand existing programs, concerning the fields of vocational rehabilitation services and related services, including—

[(i) providing release time for faculty and staff for curriculum development; and

[(ii) paying for instructional costs and startup and other program development costs;

[(B) establishing a career development mentoring program using faculty and professional staff members of participating agencies as role models, career sponsors, and academic advisors for experienced State, city, and county employees, and volunteers, who—

[(i) have demonstrated a commitment to working in the fields described in clause (i); and

[(ii) are enrolled in a program relating to such a field at an institution of higher education;

[(C) supporting a wide range of programmatic and research activities aimed at increasing opportunities for career advancement and competency-based training in such fields; and

[(D) identifying existing public or private agency and labor union personnel policies and benefit programs that may facilitate the ability of employees to take advantage of higher education opportunities, such as leave time and tuition reimbursement.

[(3) In making grants for projects under paragraph (1), the Commissioner shall ensure that the projects shall be geographically distributed throughout the United States in urban and rural areas.

[(4) The Commissioner shall, for the purpose of providing technical assistance to States or entities receiving grants under paragraph (1), enter into a cooperative agreement through a separate competition with an entity that has successfully demonstrated the capacity and expertise in the education, training, and retention of employees to serve individuals with disabilities through the use of consortia or partnerships established for the purpose of retraining the existing work force and providing opportunities for career enhancement.

[(5) The Commissioner may conduct an evaluation of projects funded under this subsection.

[(6) During the period in which an entity is receiving financial assistance under paragraph (1), the entity may not receive financial assistance under paragraph (4).]

[(f)] *(e)*(1) For the purpose of training a sufficient number of interpreters to meet the communications needs of individuals who are deaf and individuals who are deaf-blind, the Secretary, through the Office of Deafness and Communicative Disorders, may award grants to any public or private nonprofit agency or organization to establish interpreter training programs or to provide financial assistance for ongoing interpreter training programs. The Secretary shall award grants for programs in such geographic areas throughout the United States as the Secretary considers appropriate to best carry out the purpose of this section. Priority shall be given to public or private nonprofit agencies or organizations with existing programs that have demonstrated their capacity for providing interpreter training services.

(2) No grant shall be awarded under paragraph (1) unless the applicant has submitted an application to the Secretary in such form, and in accordance with such procedures, as the Secretary may require. Any such application shall—

(A) describe the manner in which an interpreter training program would be developed and operated during the five-year period following the award of any grant under this section;

(B) demonstrate the applicant's capacity or potential for providing training for interpreters for individuals who are deaf and individuals who are deaf-blind;

(C) provide assurances that any interpreter trained or retrained under such program shall meet such minimum standards of competency as the Secretary may establish for purposes of this section; and

(D) contain such other information as the Secretary may require.

[(g)] *(f)*(1) The Commissioner is authorized to provide technical assistance to State rehabilitation agencies and community rehabilitation programs, directly or through contracts with State vocational rehabilitation agencies or nonprofit organizations.

(2) An expert or consultant appointed or serving under contract pursuant to this section shall be compensated at a rate subject to approval of the Commissioner which shall not exceed the daily equivalent of the rate of pay for level 4 of the Senior Executive Service Schedule under section 5382 of title 5, United States Code. Such an expert or consultant may be allowed travel and transportation expenses in accordance with section 5703 of title 5, United States Code.

(3)(A) Subject to subparagraph (B), at least 15 percent of the sums appropriated to carry out this section shall be allocated to designated State agencies to be used, directly or indirectly, for projects for in-service training of rehabilitation personnel, including projects designed—

(i) to address recruitment and retention of qualified rehabilitation professionals;

(ii) to provide for succession planning; *and*

(iii) to provide for leadership development and capacity building[; and].

[(iv) for fiscal years 1993 and 1994, to provide training regarding the amendments to this Act made by the Rehabilitation Act Amendments of 1992.]

(B) If the allocation to designated State agencies required by subparagraph (A) would result in a lower level of funding for projects being carried out on the date of enactment of the Rehabilitation Act Amendments of 1992 by other recipients of funds under this section, the Commissioner may allocate less than 15 percent of the sums described in subparagraph (A) to designated State agencies for such in-service training.

[(h)] *(g)* There are authorized to be appropriated to carry out this section such sums as may be necessary for each of the [fiscal years 1993 through 1997] *fiscal years 1998, 1999, and 2000.*

[(i)] *(h)*(1) Consistent with paragraph (2), and consistent with the general authority set forth in this section to fund training activities, nothing in this Act shall be construed to prohibit the Commissioner from exercising authority under this title, or making available funds appropriated to carry out this title, to fund the training activities described in section 803.

(2) If the amount of funds appropriated for a fiscal year to carry out this section exceeds the amount of funds appropriated for the preceding fiscal year to carry out this section, adjusted by the percent by which the average of the estimated gross domestic product fixed-weight price index for that fiscal year differs from that estimated index for the preceding fiscal year, the amount of the excess shall be treated as if the excess were appropriated under title VIII.

SEC. [310.] *303.* For the purpose of carrying out this part (other than sections 311(c), 311(d), 312, and 316), there are authorized to be appropriated such sums as may be necessary for [each of fiscal years 1993 through 1997] *fiscal years 1998, 1999, and 2000.*

[VOCATIONAL REHABILITATION SERVICES FOR INDIVIDUALS WITH DISABILITIES

[SEC. 303. (a) For the purpose of making grants and entering into contracts under this section, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1993 through 1997.

[(b)(1) The Commissioner is authorized to make grants to States and public or nonprofit organizations and agencies to pay up to 90 per centum of the cost of projects for providing vocational rehabilitation services or employment support services to individuals with disabilities, especially those with the most severe disabilities, in public or nonprofit community rehabilitation programs.

[(2)(A) For purposes of this section, vocational rehabilitation services shall include—

[(i) training with a view toward career advancement;

[(ii) training (including on-the-job training) in occupational skills; and

[(iii) services, including rehabilitation technology services, personal assistance services, and supported employment services and extended services, that—

[(I) are related to training described in clause (i) or (ii); and

[(II) are required by the individual to engage in such training.

[(B) Pursuant to regulations, payment of weekly allowances may be made to individuals receiving vocational rehabilitation services and related services under this section. Such allowances may not be paid to any individual for any period in excess of two years. In determining the amount of such allowances for any individual, consideration shall be given to the individual's need for such an allowance, including any expenses reasonably attributable to receipt of vocational rehabilitation services, the extent to which such an allowance will help assure entry into and satisfactory completion of training, and such other factors specified by the Commissioner, as will promote such individual's capacity to engage in competitive employment.

[(3) The Commissioner may make a grant for a project pursuant to this subsection only if the Commissioner determines that (A) the purpose of such project is to prepare individuals with disabilities, especially those with the most severe disabilities, for competitive employment, or to place or retain such individual in competitive employment, including supported employment; (B) the individuals to receive vocational rehabilitation services under such project will include only those who have been determined to be in need of such vocational rehabilitation services by the State agency or agencies designated as provided in section 101(a)(1) of the State in which the community rehabilitation program is located; (C) the full range of vocational rehabilitation services will be made available to each such individual, to the extent of that individual's need for such services; and (D) the project, including the participating community rehabilitation program and the vocational rehabilitation services provided, meets such other requirements as the Commissioner may prescribe in regulations for carrying out the purposes of this subsection.

[(c) The Commissioner is also authorized to make grants, upon applications approved by the designated State agency, to public or nonprofit agencies, institutions, or organizations to assist them in meeting the cost of planning community rehabilitation programs, the cost of the services to be provided by such programs, and initial staffing costs of such programs.

[(d)(1) The Commissioner is authorized to make grants to public or nonprofit community rehabilitation programs, or to an organization or combination of such programs, to pay the Federal share of the cost of projects to analyze, improve, and increase their professional services to individuals with disabilities, their management effectiveness, or any other part of their operations affecting their capacity to provide employment and services for such individuals.

[(2) No part of any grant made pursuant to this subsection may be used to pay costs of acquiring, constructing, expanding, remodeling, or altering any building.

[LOAN GUARANTEES FOR COMMUNITY REHABILITATION PROGRAMS

[SEC. 304. (a) It is the purpose of this section to assist and encourage the provision of needed community rehabilitation programs for individuals with disabilities primarily served by State rehabilitation programs.

[(b) The Commissioner may, under special circumstances and in accordance with this section and subject to section 306, guarantee the payment of principal and interest on loans made to nonprofit private entities by non-Federal lenders and by the Federal Financing Bank for the construction of facilities for community rehabilitation programs, including equipment used in their operation.

[(c) In the case of a guarantee of any loan to a nonprofit private entity under this section, the Commissioner shall pay, to the holder of such loan and for and on behalf of the project for which the loan was made, amounts sufficient to reduce by 2 percent per annum the net effective interest rate otherwise payable on such loan. Each holder of a loan which is guaranteed under this section shall have a contractual right to receive from the United States interest payments required by the preceding sentence.

[(d) The cumulative total of the principal of the loans outstanding at any time with respect to which guarantees have been issued, or which have been directly made, may not exceed $100,000,000.

[(e)(1) The Commissioner may not approve a loan guarantee for a project under this section unless the Commissioner determines that (A) the terms, conditions, security (if any), and schedule and amount of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable, including a determination that the rate of interest does not exceed such per centum per annum on the principal obligation outstanding as the Commissioner determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States, and (B) the loan would not be available on reasonable terms and conditions without the guarantee under this section.

[(2)(A) The United States shall be entitled to recover from the applicant for a loan guarantee under this section the amount of any payment made pursuant to such guarantee, unless the Commissioner for good cause waives such right of recovery. Upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payments with respect to which the guarantee was made.

[(B) To the extent permitted by subparagraph (C), any terms and conditions applicable to a loan guarantee under this section (including terms and conditions imposed under paragraph (1)) may be modified by the Commissioner to the extent considered consistent with the interests of the United States.

[(C) Any loan guarantee made by the Commissioner under this section shall be incontestable (i) in the hands of an applicant on whose behalf such guarantee is made unless the applicant engaged in fraud or misrepresentation in securing such guarantee, and (ii) as to any person (or a successor in interest) who makes or contracts to make a loan to such applicant in reliance thereon unless such person (or a successor in interest) engaged in fraud or misrepresentation in making or contracting to make such loan.

[(D) Guarantees of loans under this section shall be subject to such further terms and conditions as the Commissioner considers necessary to assure that the purposes of this section will be achieved.

[(f)(1) There is established in the Treasury a loan guarantee fund (hereinafter in this subsection referred to as the "fund") which shall be available to the Commissioner without fiscal year limitation, in such amounts as may be specified from time to time in appropriation Acts—

> [(A) to enable the Commissioner to discharge the responsibilities under loan guarantees issued under this section; and
>
> [(B) for payment of interest under subsection (c) on loans guaranteed under this section.

There are authorized to be appropriated such amounts as may be necessary to provide the sums required for the fund. There shall also be deposited in the fund amounts received by the Commissioner in connection with loan guarantees under this section and other property or assets derived by the Commissioner from operations respecting such loan guarantees, including any money derived from the sale of assets.

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[(2)(A) If at any time the sums in the fund are insufficient to enable the Commissioner—

[(i) to make payments of interest under subsection (c); or

[(ii) to otherwise comply with guarantees under this section of loans to nonprofit private entities;

the Commissioner is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Commissioner with the approval of the Secretary of the Treasury.

[(B) Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations.

[(C) The Secretary of the Treasury shall purchase any notes and other obligations issued under this paragraph, and for that purpose the Secretary may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act. The purposes for which securities may be issued under that Act are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by the Secretary under this paragraph. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as a public debt transaction of the United States.

[(D) Sums borrowed under this paragraph shall be deposited in the fund and redemption of such notes and obligations shall be made by the Commissioner from the fund.

[COMPREHENSIVE REHABILITATION CENTERS

[SEC. 305. (a)(1) In order to provide a focal point in communities for the development and delivery of services designed primarily for individuals with disabilities, the Commissioner may make grants to any designated State unit to establish and operate comprehensive rehabilitation centers. The centers shall be established in order to provide a broad range of services to individuals with disabilities, including information and referral services, counseling services, and job placement, health, educational, social, and recreational services, as well as to provide facilities for recreational activities.

[(2) To the maximum extent practicable, such centers shall provide, upon request, to local governmental units and other public and private nonprofit entities located in the area such information and technical assistance (including support personnel such as interpreters for individuals who are deaf) as may be necessary to assist those entities in complying with this Act, particularly the requirements of section 504.

[(b) No grant may be made under this section unless an application therefor has been submitted to and approved by the Commissioner. The Commissioner may not approve an application for a grant unless the application—

[(1) contains assurances that the designated State unit will use funds provided by such grant in accordance with subsections (c) and (d); and

[(2) contains such other information, and is submitted in such form and in accordance with such procedures, as the Commissioner may require.

[(c)(1) The designated State unit may—

[(A) in accordance with subsection (e) make grants to units of general purpose local government or to other public or nonprofit private agencies or organizations and may make contracts with any agency or organization to pay not to exceed 80 percent of the cost of—

[(i) leasing facilities to serve as comprehensive rehabilitation centers;

[(ii) expanding, remodeling, or altering facilities to the extent necessary to adapt them to serve as comprehensive rehabilitation centers;

[(iii) operating such centers; or

[(iv) carrying out any combination of the activities specified in this subparagraph; and

[(B) directly carry out the activities described in subparagraph (A), except that not more than 80 percent of the costs of providing any comprehensive rehabilitation center may be provided from funds under this section.

[(2) Funds made available to any designated State unit under this section for the purpose of assisting in the operation of a comprehensive rehabilitation center may be used to compensate professional and technical personnel required to operate the center and to deliver services in the center, and to provide equipment for the center.

[(d)(1) The designated State unit may approve a grant or enter into a contract under subsection (c) only if the application for such grant or contract meets the requirements specified in paragraphs (1), (2), (4), and (5) of section 306(b) and if the application contains assurances that any center assisted by such grant or contract shall be in reasonably close proximity to the majority of individuals eligible to use the comprehensive rehabilitation center.

[(2) Any designated State unit which directly provides for comprehensive rehabilitation centers under subsection (c)(1)(B) shall use funds under this section in the same manner as any other grant recipient is required to use such funds.

[(e) If within 20 years after the completion of any construction project for which funds have been paid under this section—

[(1) the owner of the facility ceases to be a public or nonprofit private agency or organization, or

[(2) the facility ceases to be used for the purposes for which it was leased or constructed (unless the Commissioner determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner from the obligation to do so),

the United States shall be entitled to recover from the grant recipient or other owner of the facility an amount which bears the same ratio to the value of the facility (or so much thereof as constituted an approved project or projects) at the time the United States seeks recovery as the amount of such Federal funds bore to the cost of renovating the facility under subsection (c)(1)(A)(ii). Such value shall be determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated.

[(f) The requirements of section 306 shall not apply to funds allotted under this section, except that subsections (g) and (h) of such section shall be applicable with respect to such funds.

[(g) There are authorized to be appropriated to carry out this section such sums as may be necessary for each of the fiscal years 1993 through 1997.

[GENERAL GRANT AND CONTRACT REQUIREMENTS

[SEC. 306. (a) The provisions of this section shall apply to all projects approved and assisted under this title, except as otherwise provided in section 305(f). The Commissioner shall insure compliance with this section prior to making any grant or entering into any contract or agreement under this title, except projects authorized under section 303.

[(b) To be approved, an application for assistance for a construction project, or for a project which involves construction, under this title must—

[(1) contain or be supported by reasonable assurances that (A) for a period of not less than twenty years after completion of construction of the project it will be used as a public or nonprofit facility, (B) sufficient funds will be available to meet the non-Federal share of the cost of construction of the project, and (C) sufficient funds will be available, when construction of the project is completed, for its effective use for its intended purpose;

[(2) provide that Federal funds provided to any agency or organization under this title will be used only for the purposes for which provided and in accordance with the applicable provisions of this section and the section under which such funds are provided;

[(3) provide that the agency or organization receiving Federal funds under this title will make an annual report to the Commissioner, which the Commissioner shall submit to the Secretary for inclusion (in summarized form) in the annual report submitted to the Congress under section 13;

[(4) be accompanied or supplemented by plans and specifications which have been approved by the Board established by section 502, in which due consideration shall be given to excellence of architecture and design, and to the inclusion of works of art (not representing more than 1 per centum of the cost of the project), and which comply with regulations prescribed by the Commissioner relating to minimum standards of construction and equipment (promulgated with particular emphasis on securing compliance with the requirements of the Architectural Barriers Act of 1968 (Public Law 90–480)), and with regulations of the Secretary of Labor relating to occupational health and safety standards for facilities for community rehabilitation programs; and

[(5) contain or be supported by reasonable assurance that any laborer or mechanic employed by any contractor or subcontractor in the performance of work on any construction aided by payments pursuant to any grant under this section will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5); and the Secretary of Labor shall have, with respect to the labor standards specified in this paragraph, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176) and section 2 of the Act of June 13, 1934, as amended (42 U.S.C. 276c).

[(c) Upon approval of any application for a grant or contract for a project under this title, the Commissioner shall reserve, from any appropriation available therefore, the amount of such grant or contract determined under this title. In case an amendment to an approved application is approved, or the estimated cost of a project is revised upward, any additional payment with respect thereto may be made from the appropriation from which the original reservation was made or the appropriation for the fiscal year in which such amendment or revision is approved.

[(d) If, within twenty years after completion of any construction project for which funds have been paid under this title, the facility shall cease to be a public or nonprofit facility, the United States shall be entitled to recover from the applicant or other owner of the facility the amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated) of the facility, as the amount of the Federal participation bore to the cost of construction of such facility.

[(e) Payment of assistance or reservation of funds made pursuant to this title may be made (after necessary adjustment on account of previously made overpayments or underpayments) in advance or by way of reimbursement, and in such installments and on such conditions, as the Commissioner may determine.

[(f) A project for construction of a facility for a community rehabilitation program which is primarily a workshop may, where approved by the Commissioner as necessary to the effective operation of the facility, include such construction as may be necessary to provide residential accommodations for use in connection with the rehabilitation of individuals with disabilities.

[(g) No funds provided under this title may be used to assist in the construction of any facility which is or will be used for religious worship or any sectarian activity.

[(h) When, in any State, funds provided under this title will be used for providing direct services to individuals with disabilities or for developing or improving community rehabilitation programs which will provide such services, such services must be carried out in a manner not inconsistent with the State plan approved pursuant to section 101.

[(i) Prior to making any grant or entering into any contract under this title, the Commissioner shall afford reasonable opportunity to the appropriate State agency or agencies designated pursuant to section 101 to comment on such grant or contract.]

PART B—SPECIAL PROJECTS AND SUPPLEMENTARY SERVICES

AUTHORIZATION OF APPROPRIATIONS

SPECIAL DEMONSTRATION PROGRAMS

Sec. 311. (a) [Subject to the provisions of section 306, the] *The* Commissioner may make grants to States and to public or nonprofit agenices and organizations to pay part or all of the costs of special projects and demonstrations (including related research and evaluation) for—

(1) * * *

* * * * * * *

agencies and organizations to pay part or all of the costs of special projects and demonstrations including research and evaluation for youths who are individuals with disabilities to provide job training and prepare them for entry into the labor force. Such projects shall be designed to demonstrate cooperative efforts between local educational agencies, business and industry, vocational rehabilitation programs, and organizations representing labor and organizations responsible for promoting or assisting in local economic development.

[(2) Services under this subsection may include—

[(A) jobs search assistance;

[(B) on-the-job training;

[(C) job development including worksite modification and use of advanced learning technology for skills training;

[(D) dissemination of information on program activities to business and industry; and

[(E) followup services for individuals placed in employment.

[(3) The Commissioner shall assure that projects shall be coordinated with other projects assisted under section 626 of the Individuals with Disabilities Education Act.]

[(c)] *(b)*(1)(A) The Commissioner may make grants to public and non-profit community rehabilitation programs, designated State units, and other public and private agencies and organizations for the cost of developing special projects and demonstrations providing supported employment, including continuation of determinations of the effectiveness of natural supports or other alternatives to providing extended employment services.

(B) Not less than one such grant shall be nationwide in scope. The grant shall (i) identify community-based models that can be replicated, (ii) identify impediments to the development of supported employment programs (including funding and cost considerations), and (iii) develop a mechanism to explore the use of existing community rehabilitation programs as well as other community-based programs.

(C) Not less than two such grants shall serve individuals who either are low-functioning and deaf or low-functioning and hard-of-hearing.

(2)(A) The Commissioner may make grants to public agencies and nonprofit private organizations for the cost of providing technical assistance to States in implementing part C of title VI of this Act.

(B) Not less than one such grant shall be nationwide in scope. Each eligible applicant must have experience in training and provision of supported employment services.

(3) There are authorized to be appropriated to carry out the provisions of this subsection such sums as may be necessary for each of [fiscal years 1993 through 1997] *fiscal years 1998, 1999, and 2000.*

[(d)] *(c)*(1) The Commissioner, subject to the provisions of section 306, shall make grants in accordance with the provisions of this subsection for the purpose of developing, expanding, and disseminating model statewide transitional planning services for youths who are individuals with severe disabilities. In order to facilitate similar model transitional programs, each grantee under this subsection shall—

(A) collect data documenting the effectiveness of the project, including data on the outcome of the individuals served; and

(B) disseminate the information to other States.

(2) No grant may be made under this subsection unless an application is submitted to the Commissioner at such time, in such form, and in accordance with such procedures as the Commissioner may require.

(3)(A) A second grant authorized by this subsection shall be made to a public agency in a predominantly rural western State.

(B) Each application for a grant submitted pursuant to subparagraph (A) of this paragraph shall describe model transitonal planning services for both youths who are individuals with severe disabilities and other youths with disabilities designed to develop procedures, strategies, and techniques which may be replicated successfully in other rural States.

(4) There are authorized to be appropriated such sums as may be necessary for each of the [fiscal years 1993 through 1997] *fiscal years 1998, 1999, and 2000.*

[(e)(1) The Commissioner may make grants to public or private institutions to pay for the cost of developing special projects and demonstration projects to address the general education, counseling, vocational training, work transition, supported employment, job placement, followup, and community outreach needs of individuals who are either low-functioning and deaf or low-functioning and hard-of-hearing. Such projects shall provide educational and vocational rehabilitation services that are not otherwise available in the region involved and shall maximize the potential of such individuals, including individuals who are deaf and have additional severe disabilities.

[(2) The Commissioner shall monitor the activities of the recipients of grants under this subsection to ensure that the recipients carry out the projects in accordance with paragraph (1), that the recipients coordinate the projects as described in paragraph (3), and that information about innovative methods of service delivery developed by such projects is disseminated.

[(3) The Commissioner shall prepare and submit an annual report to Congress that includes an assessment of the manner in which the recipients carrying out the projects coordinate the projects with projects carried out by other public or nonprofit agencies serving individuals who are deaf, to expand or improve services for such individuals.]

[(f)] *(d)*(1) Consistent with paragraph (2), and consistent with the general authority set forth in this section to fund special demonstration programs, projects, and activities, nothing in this Act shall be construed to prohibit the Commissioner from exercising authority under this title, or making available funds appropriated to carry out this title, to fund programs, projects, and activities described in section 802.

(2) If the amount of funds appropriated for a fiscal year to carry out this section exceeds the amount of funds appropriated for the preceding fiscal year to carry out this section, adjusted by the percent by which the average of the estimated gross domestic product fixed-weight price index for that fiscal year differs from that estimated index for the preceding fiscal year, the amount of the excess shall be treated as if the excess were appropriated under title VIII.

MIGRATORY WORKERS

SEC. 312. (a) * * *

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for [fiscal years 1993 through 1997] *fiscal years 1998, 1999, and 2000* such sums as may be necessary to carry out this section.

SPECIAL RECREATIONAL PROGRAMS

SEC. [316.] *313.* (a)(1) The Commissioner, subject to the provisions of section 306, shall make grants to States, public agencies, and non-profit private organizations for paying the Federal share of the cost of initiation of recreation programs to provide individuals with disabilities with recreational activities and related experiences to aid in the employment, mobility, socialization, independence, and community integration of such individuals. The programs authorized to be assisted under this section may include, but are not limited to, vocational skills development, leisure education, leisure networking, leisure resource development, physical education and sports, scouting and camping, 4–H activities, music, dancing, handicrafts, art, and homemaking. Whenever possible and appropriate, such programs and activities should be provided in settings with peers who are not individuals with disabilities. Programs and activities under this section shall be designed to demonstrate ways in which such programs assist in maximizing the independence and integration of individuals with disabilities.

(2) Each such grant shall be made for a period of not more than 3 years. Such a grant shall not be renewable, except that the Commissioner may renew such a grant if the Commissioner determines that the grant recipient will continue to develop model or innovative programs of exceptional merit or will contribute substantially to the development or improvement of special recreational programs in other locations.

(3) No grant may be made under this section unless the agreement with respect to such grant contains provisions to assure that, to the extent possible, existing resources will be used to carry out the activities for which the grant is to be made.

(4) To be eligible to receive a grant under this section, a State, agency, or organization shall submit an application to the Commissioner at such time, in such manner, and containing such information as the Commissioner may require, including a description of—

(A) the manner in which the findings and results of the project will be made generally available; and

(B) the means by which the service program will be continued after Federal assistance ends.

(5) Recreation programs funded under this section shall maintain, at a minimum, the same level of services over a 3-year project period.

(6) The Commissioner shall, not later than 180 days after the date of enactment of the Rehabilitation Act Amendments of 1992, develop means to objectively evaluate, and encourage the replication of, activities assisted by this section.

(7) The Commissioner shall require each recipient of a grant under this section to annually prepare and submit a report on the results of the activities assisted by the grant. The Commissioner shall not make financial assistance available to a grant recipient for a subsequent year until the Commissioner has received and evaluated such a report from the recipient regarding the current year.

(8) The Commissioner shall annually issue and provide for the dissemination of a report describing the findings and results of programs funded by this section.

(9) The Federal share of the costs of the recreation programs shall be 100 percent for the first year of the grant, 75 percent for the second year, and 50 percent for the third year.

(b) There are authorized to be appropriated such sums as may be necessary for each of the **[**fiscal years 1993 through 1997**]** *fiscal years 1998, 1999, and 2000.*

[READER SERVICES FOR INDIVIDUALS WHO ARE BLIND

[SEC. 314. (a) The Commissioner may award grants to States or to private nonprofit agencies or organizations of national scope (as so determined by the Commissioner) to—

[(1) provide reading services to individuals who are blind and who are not otherwise eligible for such services through other State or Federal programs; and

[(2) expand the quality and scope of reading services available to individuals who are blind, and to assure to the maximum extent possible that the reading services provided under this Act will meet the reading needs of such individuals attending institutions providing elementary, secondary, or postsecondary education, and will be adequate to assist such individuals to obtain and continue in employment.

Any State which receives a grant under this section shall administer the reading services for which such grant is awarded through the designated State unit of the State.

[(b) No grant shall be awarded under this section unless the applicant has submitted an application to the Secretary in such form, at such time, and containing such information as the Secretary may require.

[(c) For purposes of this section, the term "reading services" means—

[(1) the employment of persons who, by reading aloud, can afford individuals who are blind ready access to printed information;

[(2) the transcription of printed information into braille or sound recordings if such transcription is performed pursuant to individual requests from individuals who are blind for such services;

[(3) the storage and distribution of braille materials and sound recordings;

[(4) the purchase, storage, and distribution of equipment and materials necessary for the production, duplication, and reproduction of braille materials and sound recordings;

[(5) the purchase, storage, and distribution of equipment to individuals who are blind to provide them with individual access to printed materials by mechanical or electronic means; and

[(6) radio reading services for individuals who are blind.

[INTERPRETER SERVICES FOR INDIVIDUALS WHO ARE DEAF

[SEC. 315. (a) The Commissioner may make grants to designated State units to establish within each State a program of interpreter services (including interpreter referral services) which shall be made available to individuals who are deaf and to any public agency or private nonprofit organization involved in the delivery of assistance or services to individuals who are deaf.

[(b) No grant may be made under this section unless an application therefor is submitted to the Commissioner in such form, at such times, and in accordance with such procedures as the Commissioner may require. Such application shall—

[(1) provide assurances that the program to be conducted under this section will be operated in areas within the State which are specifically selected to provide convenient locations for the provision of services to the maximum feasible number of individuals who are deaf;

[(2) include a plan which describes, in sufficient detail, the manner in which interpreter referral services will be coordinated with the information and referral programs required under section 101(a)(22);

[(3) provide assurances that the program will seek to enter into contractual or other arrangements, to the extent appropriate, with private nonprofit organizations comprised of primarily hearing-impaired individuals (or private nonprofit organizations which have the primary purpose of providing assistance or services to hearing-impaired individuals) for the operation of such programs;

[(4) provide that any interpreter participating in the program shall be required to meet minimum standards established by the Commissioner; and

[(5) contain such other information as the Secretary may require.

[(c) Any designated State unit receiving funds under this section may provide interpreter services, without cost, for a period of not to exceed one year to any public agency or private nonprofit organization which provides assistance to individuals who are deaf. At the end of such period, agencies or organizations receiving such services through referrals shall reimburse the designated State unit for the costs of such services. Funds may also be used for the purchase or rental of equipment necessary to provide assistance or services to individuals who are deaf.

[(d) Funds provided to any designated State unit for any program under this section shall not be used for any administrative or related costs, nor shall such funds be used for assistance to individuals who are deaf and who are receiving rehabilitation services under any other provision of this Act.]

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TITLE IV—NATIONAL COUNCIL ON DISABILITY

ESTABLISHMENT OF NATIONAL COUNCIL ON DISABILITY

* * * * * * *

AUTHORIZATION OF APPROPRIATIONS

SEC. 405. There are authorized to be appropriated to carry out this title such sums as may be necessary for each of the [fiscal years 1993 through 1997] *fiscal years 1998, 1999, and 2000.*

* * * * * * *

TITLE V—RIGHTS AND ADVOCACY

EMPLOYMENT OF INDIVIDUALS WITH DISABILITIES

SEC. 501. (a) There is established within the Federal Government an Interagency Committee on Employees who are Individuals with Disabilities (hereinafter in this section referred to as the "Committee"), comprised of such members as the President may select, including the following (or their designees whose positions are Executive Level IV or higher): the Chairman of the Equal Employment Opportunity Commission, (hereafter in this section referred to as the "Commission"), the Director of the Office of Personnel Management, the Secretary of Veterans Affairs, the Secretary of Labor, the Secretary of Education, and the Secretary of Health and Human Services. Either the Director of the Office of Personnel Management and the Chairman of the Commission shall serve as co-chairpersons of the Committee or the Director or Chairman shall serve as the sole chairperson of the Committee, as the Director and Chairman jointly determine, from time to time, to be appropriate. The resources of the President's Committees on Employment of [the Handicapped] *People With Disabilities* and on Mental Retardation shall be made fully available to the Committee. It shall be the purpose and function of the Committee (1) to provide a focus for Federal and other employment of individuals with disabilities, and to review, on a periodic basis, in cooperation with the Commission, the adequacy of hiring, placement, and advancement practices with respect to individuals with disabilities, by each department, agency, and instrumentality in the executive branch of Government, and to insure that the special needs of such individuals are being met; and (2) to consult with the Commission to assist the Commission to carry out its responsibilities under subsections (b), (c), and (d) of this section. On the basis of such review and consultation, the Committee shall periodically make to the Commission such recommendations for legislative and administrative changes as it deems necessary or desirable. The Commission shall timely transmit to the appropriate committees of Congress any such recommendations.

* * * * * * *

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

SEC. 502. (a)(1) There is established within the Federal Government the Architectural and Transportation Barriers Compliance Board (hereinafter referred to as the "Access Board") which shall be composed as follows:

(A) * * *

* * * * * * *

The [Chairperson] *chairperson* and vice-chairperson of the Access Board shall be elected by majority vote of the members of the Access Board to serve for terms of one year. When the chairperson is a member of the general public, the vice-chairperson shall be a Federal official; and when the chairperson is a Federal official, the vice-chairperson shall be a member of the general public. Upon the expiration of the term as chairperson of a member who is a Federal official, the subsequent chairperson shall be a member of the general public; and vice versa.

* * * * * * *

(g)(1) The Access Board shall, at the end of each fiscal year, report its activities during the preceding fiscal year to the Congress. Such report shall include an assessment of the extent of compliance with the Acts cited in subsection (b) of this section, along with a description and analysis of investigations made and actions taken by the Access Board, and the reports and recommendations described in paragraphs (8) and (9) of such subsection.

(2) The Access Board shall, at the same time that the Access Board transmits the report required under section 7(b) of the Act commonly known as the Architectural Barriers Act of 1968 (42 U.S.C. 4157(b)), transmit the report to the [Committee on Education and Labor] *Committee on Education and the Workforce* of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

* * * * * * *

SEC. 509. PROTECTION AND ADVOCACY OF INDIVIDUAL RIGHTS.

(a) * * *

* * * * * * *

[(n)] *(i)* ELIGIBILITY FOR ASSISTANCE.—As used in this section, the term "eligible system" means a protection and advocacy system that is established under part C of the Developmental Disabilities

Assistance and Bill of Rights Act (42 U.S.C. 6041 et seq.) and that meets the requirements of subsection (f).

* * * * * * *

(l) REPORT.—The Commissioner shall annually prepare and submit to the [Committee on Education and Labor] *Committee on Education and the Workforce* of the House of Representatives and the Committee on Labor and Human Resources of the Senate a report describing the types of services and activities being undertaken by programs funded under this section, the total number of individuals served under this section, the types of disabilities represented by such individuals, and the types of issues being addressed on behalf of such individuals.

(m) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for [each of the fiscal years 1993, 1994, 1995, 1996, and 1997] *each of the fiscal years 1998, 1999, and 2000.*

TITLE VI—EMPLOYMENT OPPORTUNITIES FOR INDIVIDUALS WITH DISABILITIES

SHORT TITLE

SEC. 601. This title may be cited as the "Employment Opportunities for Individuals With Disabilities Act".

[PART A—COMMUNITY SERVICE EMPLOYMENT PILOT PROGRAMS FOR INDIVIDUALS WITH DISABILITIES

[ESTABLISHMENT OF PILOT PROGRAM

[SEC. 611. (a) In order to promote useful opportunities in community service activities for individuals with disabilities who have poor employment prospects, the Secretary of Labor (hereinafter in this part referred to as the "Secretary") is authorized to establish a community service employment pilot program for individuals with disabilities. For purposes of this part, the term "eligible individuals" means persons who are individuals with disabilities (as defined in section 7(8)(A) of this Act) and who are referred to programs under this part by designated State units.

[(b)(1) The Secretary may enter into agreements with public or private nonprofit agencies or organizations, including national organizations, agencies of a State government or a political subdivision of a State (having elected or duly appointed governing officials), or a combination of such political subdivisions, or tribal organizations in order to carry out the pilot program referred to in subsection (a). Such agreements may include provisions consistent with subsection (c) for the payment of the costs of projects developed by such organizations and agencies in cooperation with the Secretary. No payment shall be made by the Secretary toward the cost of any such project unless the Secretary determines that:

[(A) Such project will provide employment only for eligible individuals, except that if eligible individuals are not available to serve as technical, administrative, or supervisory personnel for a project then such personnel may be recruited from among other individuals.

[(B) Such project will provide employment for eligible individuals in the community in which such individuals reside, or in nearby communities.

[(C) Such project will employ eligible individuals in services related to publicly owned and operated facilities and projects, or projects sponsored by organizations, other than political parties, exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1954, except for projects involving the construction, operation, or maintenance of any facility used or to be used as a place for sectarian religious instruction or worship.

[(D) Such project will contribute to the general welfare of the community in which eligible individuals are employed under such project.

[(E) Such project (i) will result in an increase in employment opportunities over those opportunities which would otherwise be available, (ii) will not result in any displacement of currently employed workers (including partial displacement, such as a reduction in the hours of nonovertime work or wages or employment benefits), and (iii) will not impair existing contracts or result in the substitution of Federal funds for other funds in connection with work that would otherwise be performed.

[(F) Such project will not employ any eligible individual to perform work which is the same or substantially the same as that performed by any other person who is on layoff from employment with the agency or organization sponsoring such project.

[(G) Such project will utilize methods of recruitment and selection (including the listing of job vacancies with the State agency units designated under section 101(a)(2)(A) to administer vocational rehabilitation services under this Act) which will assure that the maximum number of eligible individuals will have an opportunity to participate in the project.

[(H) Such project will provide for (i) such training as may be necessary to make the most effective use of the skills and talents of individuals who are participating in the project, and (ii) during the period of such training, a reasonable subsistence allowance for such individuals and the payment of any other reasonable expenses related to such training.

[(I) Such project will provide safe and healthy working conditions for any eligible individual employed under such project and will pay any such individual at a rate of pay not lower than the rate of pay described in paragraph (2).

[(J) Such project will be established or administered with the advice of (i) persons competent in the field of service in which employment is being provided, and (ii) persons who are knowledgeable with regard to the needs of individuals with disabilities.

[(K) Such project will pay any reasonable costs for work-related expenses, transportation, and personal assistance services incurred by eligible individuals employed under such project in accordance with regulations prescribed by the Secretary.

[(L) Such project will provide appropriate placement services for employees under the project to assist them in locating unsubsidized employment when the Federal assistance for the project terminates.

[(2) The rate of pay referred to in subparagraph (I) of paragraph (1) is the highest of the following:

[(A) the prevailing rate of pay for persons employed in similar occupations by the same employer.

[(B) The minimum wage which would be applicable to the employee under the Fair Labor Standards Act of 1938 if such employee were not exempt from such Act under section 13 thereof.

[(C) The State or local minimum wage for the most nearly comparable covered employment.

The Department of Labor shall not issue any certificate of exemption under section 14(c) of the Fair Labor Standards Act of 1938 with respect to any person employed in a project under this section.

[(c)(1) The Secretary may pay not to exceed 90 percent of the cost of any project which is the subject of an agreement entered into under subsection (b). Notwithstanding the preceding sentence, the Secretary may pay all of the costs of any such project which is (A) an emergency or disaster project, or (B) a project located in an economically depressed area, as determined by the Secretary in consultation with the Secretary of Commerce and the Director of the Community Services Administration.

[(2) The non-Federal share of any project under this part may be in cash or in kind. In determining the amount of the non-Federal share, the Secretary may attribute fair market value to services and facilities contributed from non-Federal sources.

[(d) Payments under this part may be made in advance or by way of reimbursement, and in such installments as the Secretary may determine.

[ADMINISTRATION

[SEC. 612. (a) In order to effectively carry out the provisions of this part, the Secretary shall, through the Commissioner of the Rehalibitation Services Administration, consult with any designated State unit with regard to—

[(1) the localities in which community service projects of the type authorized by this part are most needed;

[(2) the employment situations and types of skills possessed by eligible individuals in such localities; and

[(3) potential projects suitable for funding in such localities.

[(b) The Secretary shall coordinate the pilot program established under this part with the Job Training Partnership Act and the Community Services Block Grant Act.

[(c) In carrying out this part, the Secretary may, with the consent of any other Federal, State, or local agency, use the services, equipment, personnel, and facilities of such agency with or without providing such agency with reimbursement and may use the services, equipment, and facilities of any other public or private entity on a similar basis.

[(d) Within one hundred and eighty days after the effective date of this part, the Secretary shall issue and publish in the Federal

Register such regulations as may be necessary to carry out this part.

[(e) The Secretary shall not delegate any function of the Secretary under this part to any other department or agency of the Federal Government.

[PARTICIPANTS NOT FEDERAL EMPLOYEES

[Sec. 613. (a) Eligible individuals who are employed in any project funded under this part shall not be considered to be Federal employees as a result of such employment and shall not be subject to the provisions of part III of title 5, United States Code.

[(b) No contract shall be entered into under this part with a contractor who is, or whose employees are, under State law, exempted from operation of any State workmen's compensation law generally applicable to employees, unless the contractor shall undertake to provide for persons to be employed under such contract, through insurance by a recognized carrier or by self-insurance authorized by State law, workmen's compensation coverage equal to that provided by law for covered employment.

[(c) No part of the wages, allowances, or reimbursement for transportation and personal assistance services costs made available to an eligible individual employed in any project funded under this part shall be treated as income or benefits for the purpose of any other program or provision of State or Federal law, unless the Secretary makes a case by case determination that disallowance of such income or benefits is inequitable or does not carry out the purposes of this title.

[INTERAGENCY COOPERATION

[Sec. 614. (a) The Secretary shall consult with, and obtain the written views of, the Commissioner of the Rehabilitation Services Administration before establishing rules or general policy in the administration of this part.

[(b) The Secretary shall consult and cooperate with the Director of the Community Services Administration, the Secretary of Health and Human Services, and the heads of other Federal agencies carrying out related programs, in order to achieve maximum coordination between such programs and the program established under this part. Each Federal agency shall cooperate with the Secretary in disseminating information relating to the availability of assistance under this part and in identifying individuals eligible for employment in projects assisted under this part.

[EQUITABLE DISTRIBUTION OF ASSISTANCE

[Sec. 615. (a)(1) Preference in awarding grants or contracts under this part shall be given to organizations of proven ability in providing employment services to individuals with disabilities under this program and similar programs. The Secretary, in awarding grants and contracts under this section, shall, to the extent feasible, assure an equitable distribution of activities under such grants and contracts among the States, taking into account the needs of underserved States and the needs of Indian tribes.

[(2) The Secretary shall allot for projects within each State the sums appropriated for any fiscal year under section 617 so that each State will receive an amount which bears the same ratio to such sums as the population of the State bears to the population of all the States.

[(b) The amount allotted for projects within any State under subsection (a) for any fiscal year which the Secretary determines will not be required for such year shall be reallotted, from time to time and on such dates during such year as the Secretary may fix, to projects within other States in proportion to the original allotments to projects within such States under subsection (a) for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum the Secretary estimates that projects within such State need and will be able to use for such year. The total of such reductions shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amount reallotted to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) for such year.

[(c) The amount apportioned for projects within each State under subsection (a) shall be apportioned among areas within each such State in an equitable manner, taking into consideration (1) the proportion which eligible individuals in each such area bears to the total number of such individuals, respectively, in that State, and (2) the relative distribution of such individuals residing in rural and urban areas within the State (including individuals residing on Indian reservations).

[DEFINITIONS

[SEC. 616. For purposes of this part—

[(1) the term "community service" means social, health, welfare, and educational services, legal and other counseling services and assistance, including tax counseling and assistance and financial counseling, and library, recreational, and other similar services; conservation, maintenance, or restoration of natural resources; community betterment or beautification; antipollution and environmental quality efforts; economic development; and such other services essential and necessary to the community as the Secretary, by regulation, may prescribe; and

[(2) the term "pilot program" means the community service employment program for individuals with disabilities established under this part.

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 617. There are authorized to be appropriated to carry out the provisions of this part such sums as may be necessary for each of the fiscal years 1993 through 1997.]

PART [B] *A*—PROJECTS WITH INDUSTRY

PROJECTS WITH INDUSTRY

SEC. 621. (a)(1) The purpose of this part is to create and expand job and career opportunities for individuals with disabilities in the competitive labor market by engaging the talent and leadership of private industry as partners in the rehabilitation process, to identify competitive job and career opportunities and the skills needed to perform such jobs, to create practical job and career readiness and training programs, and to provide job placements and career advancement.

(2) * * *

* * * * * * *

AUTHORIZATION OF APPROPRIATIONS

SEC. 622. There are authorized to be appropriated to carry out the provisions of this part, such sums as may be necessary for [each of fiscal years 1993 through. 1997] *each of the fiscal years 1998, 1999, and 2000.*

PART [C] *B*—SUPPORTED EMPLOYMENT SERVICES FOR INDIVIDUALS WITH SEVERE DISABILITIES

SEC. 631. PURPOSE.

It is the purpose of this part to authorize allotments, in addition to grants for vocational rehabilitation services under title I, to assist States in developing collaborative programs with appropriate entities to provide supported employment services for individuals with the most severe disabilities who require supported employment services to enter or retain competitive employment.

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SEC. 638. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this part such sums as may be necessary for [each of fiscal years 1993 through 1997] *each of the fiscal years 1998, 1999, and 2000.*

[PART D—BUSINESS OPPORTUNITIES FOR INDIVIDUALS WITH DISABILITIES

[BUSINESS OPPORTUNITIES FOR INDIVIDUALS WITH DISABILITIES

[SEC. 641. (a) The Commissioner, in consultation with the Secretary of Labor and the Secretary of Commerce, may make grants to, or enter into contracts with, individuals with disabilities to enable them to establish or operate commercial or other enterprises to develop or market their products or services. Within ninety days after the effective date of this section, the Commissioner shall promulgate regulations to carry out this section, including regulations specifying (1) the maximum amount of money which may be provided under this section to any participant, and (2) procedures for certification, by designated State units, of individuals eligible to participate in any program under this section.

[(b) There are authorized to be appropriated to carry out this section such sums as may be necessary for each of the 1993 through 1997 fiscal years.]

TITLE VII—INDEPENDENT LIVING SERVICES AND CENTERS FOR INDEPENDENT LIVING

CHAPTER 1—INDIVIDUALS WITH SEVERE DISABILITIES

* * * * * * *

PART B—INDEPENDENT LIVING SERVICES

* * * * * * *

SEC. 714. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this part such sums as may be necessary for [each of the fiscal years 1993, 1994, 1995, 1996, and 1997] *each of the fiscal years 1998, 1999, and 2000.*

PART C—CENTERS FOR INDEPENDENT LIVING

SEC. 721. PROGRAM AUTHORIZATION.

(a) * * *

* * * * * * *

(c) IN GENERAL.—

(1) STATES.—

(A) POPULATION BASIS.—After the reservation required by subsection (b) has been made, and except as provided in subparagraphs (B) and (C)[,,], from the remainder of the amounts appropriated for each such fiscal year to carry out this part, the Commissioner shall make an allotment to each State whose State plan has been approved under section 706 of an amount bearing the same ratio to such remainder as the population of the State bears to the population of all States.

* * * * * * *

SEC. 727. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this part such sums as may be necessary for [each of the fiscal years 1993, 1994, 1995, 1996, and 1997] *each of the fiscal years 1998, 1999, and 2000.*

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CHAPTER 2—INDEPENDENT LIVING SERVICES FOR OLDER INDIVIDUALS WHO ARE BLIND

* * * * * * *

SEC. 753. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this chapter such sums as may be necessary for [each of the fiscal years 1993 through 1997] *each of the fiscal years 1998, 1999, and 2000.*

* * * * * * *

TITLE VIII—SPECIAL DEMONSTRATIONS AND TRAINING PROJECTS

SEC. 801. AUTHORIZATION OF APPROPRIATIONS.

(a) Demonstration Projects.—There are authorized to be appropriated to carry out section 802, such sums as may be necessary for each of the fiscal years [1993 through 1997] *1998 through 2000*.

(b) Training Initiatives.—There are authorized to be appropriated to carry out section 803, such sums as may be necessary for each of the fiscal years [1993 through 1997] *1998 through 2000*.

[**SEC. 802. DEMONSTRATION ACTIVITIES.**

[(a) Transportation Services Grants.—

[(1) Grants.—The Commissioner shall make grants to States and to public or nonprofit agencies and organizations for the purpose of providing transportation services to individuals with disabilities who—

[(A)(i) are employed or seeking employment; or

[(ii) are receiving vocational rehabilitation services from public or private organizations; and

[(B) reside in geographic areas in which fixed route public transportation or comparable paratransit service is not available.

[(2) Use of grant.—The Commissioner may make a grant under this subsection only if the applicant involved agrees that transportation services under this subsection will be provided on a regular and continuing basis between—

[(A) the home of the individual; and

[(B) the place of employment of the individual, the place where the individual is seeking employment, or the place where the individual is receiving vocational rehabilitation services.

[(3) Charges.—The Commissioner may make a grant under paragraph (1) only if the applicant involved agrees that, in providing transportation services under this subsection—

[(A) a charge for the transportation will be imposed on each employed eligible individual who uses the transportation; and

[(B) the amount of the charge for an instance of use of the transportation for the distance involved will be in a fair and reasonable amount that is consistent with fees for comparable services in comparable geographic areas.

[(4) Report.—The Commissioner may make a grant under this subsection only if the applicant involved agrees to prepare and submit to the Commissioner, not later than December 31 of the fiscal year following the fiscal year for which the grant is made, a report containing—

[(A) a description of the goals of the program carried out with the grant;

[(B) a description of the activities and services provided under the program;

[(C) a description of the number of eligible individuals served under the program;

[(D) a description of methods used to ensure that the program serves the eligible individuals most in need of the transportation services provided under the program; and

[(E) such additional information as the Commissioner may require.

[(5) Construction.—Nothing in this subsection may be construed as limiting the rights or responsibilities of any individual under any other provision of this Act, under the Americans with Disabilities Act of 1990, or under any other provision of law.

[(b) Projects To Achieve High Quality Placements.—

[(1) Special projects and demonstrations.—The Commissioner shall make grants to public or nonprofit community rehabilitation programs, designated State units, and other public or nonprofit agencies and organizations to pay for the cost of developing special projects and demonstrations related to vocational rehabilitation outcomes. Such projects and demonstrations may include activities providing alternatives to case closure practice and identifying and implementing appropriate incentives to vocational rehabilitation counselors to achieve high quality placements for individuals with the most severe disabilities.

[(2) Certain requirements.—Each recipient of such a grant shall—

[(A) identify, develop, and test exemplary models that can be replicated; and

[(B) identify innovative methods, such as weighted case closures, to evaluate the performance of vocational rehabilitation counselors that in no way impede the accomplishment of the purposes and policy of serving, among others, those individuals with the most severe disabilities.

[(c) Early Intervention Demonstration Programs.—

[(1) Grants.—The Commissioner shall make grants to public or nonprofit agencies and organizations to carry out demonstration programs designed to demonstrate the utility of early intervention in furnishing vocational evaluation, training, and counseling services to working adults recently determined to have chronic and progressive diseases that may be severely disabling, such as multiple sclerosis.

[(2) Grant activities.—In carrying out a demonstration program under paragraph (1), an eligible entity shall conduct a program intended to demonstrate the effectiveness of such early intervention in improving the job retention of the working adults or in facilitating the entry of the working adults to new careers and employment. The demonstration program shall test a number of alternative service systems, including an employer assistance program, a system involving early intervention by State vocational rehabilitation agencies, and a private nonprofit agency joint venture with an employer or State vocational rehabilitation agency.

[(d) Transition Demonstration Projects.—

[(1) GRANTS.—The Commissioner may make grants to public or nonprofit agencies and organizations to pay part or all of the costs of special projects and demonstration projects to support models for providing community-based, coordinated services to facilitate the transition of individuals with disabilities from rehabilitation hospital or nursing home programs or comparable programs, to programs providing independent living services in the community, including services such as personal assistance services, health maintenance services, counseling, and social and vocational services.

[(2) APPLICATION.—To be eligible to receive a grant under this subsection, an agency or organization shall submit an application to the Commissioner at such time, in such manner, and containing such information as the Commissioner may require.

[(3) EVALUATION.—An agency or organization that receives a grant under this subsection shall evaluate the effectiveness of such models and prepare and submit to the Commissioner a report containing the evaluation.

[(e) BARRIERS TO SUCCESSFUL REHABILITATION OUTCOMES FOR MINORITIES.—The Commissioner may award grants to public or nonprofit agencies and organizations—

[(1) to conduct a study to examine the factors that have created barriers to successful rehabilitation outcomes for individuals with disabilities from minority backgrounds, and develop and evaluate policy, research, and training strategies for overcoming the barriers;

[(2) to conduct a study to examine the factors that have created significant underrepresentation of individuals from minority backgrounds in the rehabilitation professions, including such underrepresentation among researchers, and develop and evaluate policy, research, and training strategies for overcoming the underrepresentation; and

[(3) to conduct a study to examine the factors that have created barriers to successful rehabilitation outcomes for individuals with neurological or other related disorders, and examine how the hidden or episodic nature of the disability affects eligibility and the provision of services.

[(f) STUDIES, SPECIAL PROJECTS, AND DEMONSTRATION PROJECTS TO STUDY MANAGEMENT AND SERVICE DELIVERY.—

[(1) GRANTS.—The Commissioner may make grants to public or nonprofit agencies and organizations to pay part or all of the costs of conducting studies, special projects, or demonstration projects relating to the management and service delivery systems of the vocational rehabilitation programs authorized under this Act.

[(2) APPLICATION.—To be eligible to receive a grant under this subsection, an agency or organization shall submit an application to the Commissioner at such time, in such manner, and containing such information as the Commissioner may require.

[(g) DEMONSTRATION PROJECTS TO INCREASE CLIENT CHOICE.—

[(1) GRANTS.—The Commissioner may make grants to States and public or nonprofit agencies and organizations to pay all or part of the costs of projects to demonstrate ways to increase client choice in the rehabilitation process, including the selection of providers of vocational rehabilitation services.

[(2) USE OF FUNDS.—An entity that receives a grant under this subsection shall use the grant only—

[(A) for activities that are directly related to planning, operating, and evaluating the demonstration projects; and

[(B) to supplement, and not supplant, funds made available from Federal and non-Federal sources for such projects.

[(3) APPLICATION.—Any eligible entity that desires to receive a grant under this subsection shall submit an application at such time, in such manner, and containing such information and assurances as the Commissioner may require, including—

[(A) a description of—

[(i) how the applicant intends to promote increased client choice in the rehabilitation process, including a description, if appropriate, of how an applicant will determine the cost of any service or product offered to an eligible client;

[(ii) how the applicant intends to ensure that any vocational rehabilitation service or related service is provided by a qualified provider who is accredited or meets such other quality assurance and cost-control criteria as the State may establish; and

[(iii) the outreach activities to be conducted by the applicant to obtain eligible clients; and

[(B) assurances that a written plan will be established with the full participation of the client, which plan shall, at a minimum, include—

[(i) a statement of the vocational rehabilitation goals to be achieved;

[(ii) a statement of the specific vocational rehabilitation services to be provided, the projected dates for their initiation, and the anticipated duration of each such service; and

[(iii) objective criteria, an evaluation procedure, and a schedule, for determining whether such goals are being achieved.

[(4) AWARD OF GRANTS.—In selecting entities to receive grants under paragraph (1), the Commissioner shall take into consideration the—

[(A) diversity of strategies used to increase client choice, including selection among qualified service providers;

[(B) geographic distribution of projects; and

[(C) diversity of clients to be served.

[(5) RECORDS.—Entities that receive grants under paragraph (1) shall maintain such records as the Commissioner may require and comply with any request from the Commissioner for such records.

[(6) DIRECT SERVICES.—At least 80 percent of the funds awarded for any project under this subsection shall be used for direct services, as specifically chosen by eligible clients.

[(7) EVALUATION.—The Commissioner shall conduct an evaluation of the demonstration projects with respect to the services provided, clients served, client outcomes obtained, implementation issues addressed, the cost effectiveness of the project, and the effects of increased choice on clients and service providers. The Commissioner may reserve funds for the evaluation for a fiscal year from the amounts appropriated to carry out projects under this subsection for the fiscal year.

[(8) DEFINITIONS.—For the purposes of this subsection:

[(A) DIRECT SERVICES.—The term "direct services" means vocational rehabilitation services, as described in section 103(a).

[(B) ELIGIBLE CLIENT.—The term "eligible client" means an individual with a disability, as defined in section 7(8)(A), who is not currently receiving services under an individualized written rehabilitation program established through a designated State unit.

[(h) NATIONAL COMMISSION ON REHABILITATION SERVICES.—

[(1) ESTABLISHMENT.—

[(A) IN GENERAL.—Subject to the availability of appropriations, there is hereby established a National Commission on Rehabilitation Services (referred to in this section as the "National Commission") for the purpose of studying the nature, quality, and adequacy of vocational rehabilitation, independent living, supported employment, research, training, and other programs authorized under this Act, and submitting to the President and to Congress recommendations that will further the successful employment outcomes, independence, and integration of individuals with disabilities into the workplace and community.

[(B) COMPOSITION.—

[(i) QUALIFICATIONS.—The National Commission shall consist of 15 members who are recognized by knowledge, experience, and education as experts in the field of rehabilitation. At least a majority of the members of the National Commission shall be individuals with disabilities representing a cross-section of individuals with different types of disabilities.

[(ii) APPOINTMENT.—Members of the National Commission shall be appointed as follows:

[(I) PRESIDENTIAL APPOINTEES.—Five members shall be appointed by the President, or, if the President delegates the authority to make the appointment, by the Secretary of Education.

[(II) SENATE APPOINTEES.—Five members shall be appointed by the president pro tempore of the Senate, with the advice and approval of the Majority Leader and Minority Leader of the Senate.

[(III) HOUSE OF REPRESENTATIVES APPOINTEES.—Five members shall be appointed by the Speaker of the House of Representatives with the advice and approval of the Majority Leader and Minority Leader of the House of Representatives.

[(C) Term.—Members shall be appointed for the life of the National Commission.

[(D) Vacancies.—Any vacancy in the National Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

[(E) Chairperson.—The National Commission shall select a Chairperson from among its members.

[(F) Meetings.—The National Commission shall meet at the call of the Chairperson, but not less often than four times each year.

[(G) Quorum.—Ten members of the National Commission shall constitute a quorum.

[(H) Committees.—The Chairperson, upon approval by the National Commission, may establish such committees as the Chairperson determines to be necessary to fulfill the duties of the National Commission.

[(2) Duties.—

[(A) Studies and analyses.—The National Commission shall conduct studies and analyses with respect to—

[(i) the effectiveness of vocational rehabilitation and independent living services in enhancing the employment outcomes of individuals with disabilities;

[(ii) the adequacy of research and training activities in fostering innovative approaches that further the employment of individuals with disabilities;

[(iii) the capacity of supported employment and independent living services in promoting the integration of individuals with disabilities into the workplace and community;

[(iv) methods for enhancing access to services authorized under this Act by minorities who are individuals with disabilities and individuals with disabilities who are members of populations that have traditionally been unserved or underserved by programs under this Act that provide such vocational rehabilitation services and independent living services;

[(v) means for enhancing interagency coordination among Federal and State agencies to promote the maximization of employment-related programs, services, and benefits on behalf of individuals with disabilities; and

[(vi) such other issues as the National Commission may identify as relevant to promoting the employment, independence, and integration of individuals with disabilities.

[(B) Policy analyses.—The National Commission shall conduct policy analyses to—

[(i) develop options for improving fiscal equity in the allotment of grants under section 110;

[(ii) provide guidance on implementing the order of selection described in section 101(a)(5)(A); and

[(iii) address the shortage of rehabilitation professionals.

[(C) Reports.—

[(i) INTERIM REPORT.—Not later than January 30, 1995, the National Commission shall prepare and issue a comprehensive interim report to the President, the Committee on Education and Labor of the House of Representatives, and the Committee on Labor and Human Resources of the Senate, containing the results of the studies and analyses described in subparagraphs (A) and (B) and specific recommendations for amendments to this Act needed to promote the provision of comprehensive vocational rehabilitation and independent living services on behalf of individuals with disabilities.

[(ii) FINAL REPORT.—Not later than January 30, 1997, the National Commission shall prepare and issue a comprehensive final report to the President, the Committee on Education and Labor of the House of Representatives, and the Committee on Labor and Human Resources of the Senate, containing the results and recommendations described in clause (i).

[(3) POWERS.—

[(A) HEARINGS.—The National Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the National Commission determines to be necessary to carry out its functions.

[(B) INFORMATION.—

[(i) FEDERAL ENTITIES.—The National Commission may secure directly from any Federal department or agency such information (including statistics) as the National Commission considers necessary to carry out the functions of the National Commission. Upon request of the Chairperson of the National Commission, the head of such department or agency shall furnish such information to the National Commission.

[(ii) OTHER ENTITIES.—The National Commission may secure, directly or by contract or other means, such additional information as the National Commission determines to be necessary from universities, research institutions, foundations, State and local agencies, and other public or private agencies.

[(C) CONSULTATION.—The National Commission is authorized to consult with—

[(i) any organization representing individuals with disabilities;

[(ii) public or private service providers;

[(iii) Federal, State, and local agencies;

[(iv) individual experts;

[(v) institutions of higher education involved in the preparation of vocational rehabilitation services personnel; and

[(vi) such other entities and persons as will aid the National Commission in carrying out its duties.

[(4) COMPENSATION AND TRAVEL EXPENSES.—

[(A) COMPENSATION.—Each member of the National Commission who is not an officer or full-time employee of the Federal Government shall receive a payment of $150 for each day (including travel time) during which the member is engaged in the performance of duties for the National Commission. Members of the National Commission who are officers or full-time employees of the United States shall serve without compensation in addition to compensation received for their services as officers or employees of the United States.

[(B) TRAVEL EXPENSES.—Each member of the National Commission may receive travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for employees serving intermittently in the Government service, for each day the member is engaged in the performance of duties away from the home or regular place of business of the member.

[(5) STAFF.—

[(A) APPOINTMENT.—

[(i) STAFF DIRECTOR.—The Chairperson of the National Commission may, without regard to provisions of title 5, United States Code, governing appointments in the competitive service, appoint and terminate a staff director of the National Commission. The employment of the staff director shall be subject to confirmation by the National Commission. The staff director shall be appointed from among individuals who are experienced in the planning, administration, or operation of vocational rehabilitation and independent living services or programs.

[(ii) ADDITIONAL PERSONNEL.—The staff director of the National Commission may, without regard to provisions of title 5, United States Code, governing appointments in the competitive service, appoint and terminate such additional personnel as may be necessary, but not more than ten full-time equivalent positions, to enable the National Commission to carry out its duties.

[(B) COMPENSATION.—The Chairperson of the National Commission may fix the compensation of the staff director, and the staff director may fix the compensation of the additional personnel, without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and General Schedule pay rates, except that the rate of pay for the staff director and other personnel may not exceed the rate of pay for level 4 of the Senior Executive Service Schedule under section 5382 of title 5, United States Code.

[(6) COOPERATION.—The heads of all Federal agencies are, to the extent not prohibited by law, directed to cooperate with the National Commission in carrying out its duties. The National Commission may utilize the services, personnel, information, and facilities of other Federal, State, local, and private agencies with or without reimbursement, upon the consent of the heads of such agencies.

[(7) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the National Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

[(8) TERMINATION.—The National Commission shall terminate not later than 90 days following the submission of the final report as described in paragraph (2)(C)(ii).

[(i) MODEL PERSONAL ASSISTANCE SERVICES SYSTEMS.—The Commissioner may award grants to public or nonprofit agencies and organizations to establish model personal assistance services systems and other innovative service programs to maximize the full inclusion and integration into society, employment, independent living, and economic and social self-sufficiency of individuals with disabilities.

[(j) DEMONSTRATION PROJECTS TO UPGRADE WORKER SKILLS.—

[(1) GRANTS.—Consistent with the purposes of section 621, the Commissioner may make grants to partnerships or consortia that include private business concerns or industries to pay for the Federal share of developing and carrying out model demonstration projects for workers with disabilities who need new or upgraded skills to adapt to emerging technologies, work methods, and markets and to ensure that such individuals possess the knowledge and skills necessary to compete in the workplace.

[(2) PERIOD.—Grants made under this subsection shall be for 3-year periods.

[(3) APPLICATION.—Any partnership or consortia desiring to receive a grant under this subsection shall submit an application to the Commissioner at such time, in such manner, and containing such information and assurances as the Commissioner may require, including—

[(A) information identifying at least one member of the partnership or consortium that is a private business concern or industry; and

[(B) assurances that—

[(i) each member of the eligible partnership or consortium will pay a portion of the non-Federal share of the cost of developing and carrying out the project;

[(ii) the partnership or consortium will carry out all of the activities described in subparagraphs (A) through (E) of section 621(a)(2);

[(iii) the partnership or consortium will disseminate information on the model program conducted;

[(iv) the partnership or consortium will utilize, if available, job skill standards established jointly by management and labor to assist in evaluating the job skills of an individual and assessing the skills that are needed for the individual to compete in the workplace;

[(v) the partnership or consortium will prepare and submit an evaluation report containing data specified by the Commissioner at the end of each project year; and [(vi) the partnership or consortium will take such steps as are necessary to continue the activities of the project after the period for which Federal assistance is sought.

[(4) DEFINITION.—For the purposes of this subsection, the term "workers with disabilities" shall mean individuals with disabilities who are working in competitive employment and who need new or upgraded skills to improve their employment and career advancement opportunities.

[(k) MODEL SYSTEMS REGARDING SEVERE DISABILITIES.—The Commissioner may award grants to public or nonprofit agencies and organizations to establish model systems of comprehensive service delivery to individuals with severe disabilities, other than spinal cord injuries, requiring a multidisciplinary system of providing vocational and other rehabilitation services, where the Commissioner determines that the development of such systems is needed.]

SEC. 802. DEMONSTRATION PROJECTS TO INCREASE CLIENT CHOICE.

(a) GRANTS.—The Commissioner may make grants to States and public or nonprofit agencies and organizations to pay all or part of the costs of projects to demonstrate ways to increase client choice in the rehabilitation process, including the selection of providers of vocational rehabilitation services.

(b) USE OF FUNDS.—An entity that receives a grant under this section shall use the grant only—

(1) for activities that are directly related to planning, operating, and evaluating the demonstration projects; and

(2) to supplement, and not supplant, funds made available from Federal and non-Federal sources for such projects.

(c) APPLICATION.—Any eligible entity that desires to receive a grant under this section shall submit an application at such time, in such manner, and containing such information and assurances as the Commissioner may require, including—

(1) a description of—

(A) how the applicant intends to promote increased client choice in the rehabilitation process, including a description, if appropriate, of how an applicant will determine the cost of any service or product offered to an eligible client;

(B) how the applicant intends to ensure that any vocational rehabilitation service or related service is provided by a qualified provider who is accredited or meets such other quality assurance and cost-control criteria as the State may establish; and

(C) the outreach activities to be conducted by the applicant to obtain eligible clients; and

(2) assurances that a written plan will be established with the full participation of the client, which plan shall, at a minimum, include—

(A) a statement of the vocational rehabilitation goals to be achieved;

(B) a statement of the specific vocational rehabilitation services to be provided, the projected dates for their initiation, and the anticipated duration of each such service; and

(C) objective criteria, an evaluation procedure, and a schedule, for determining whether such goals are being achieved.

(d) AWARD OF GRANTS.—In selecting entities to receive grants under subsection (a), the Commissioner shall take into consideration the—

(1) diversity of strategies used to increase client choice, including selection among qualified service providers;

(2) geographic distribution of projects; and

(3) diversity of clients to be served.

(e) RECORDS.—Entities that receive grants under subsection (a) shall maintain such records as the Commissioner may require and comply with any request from the Commissioner for such records.

(f) DIRECT SERVICES.—At least 80 percent of the funds awarded for any project under this section shall be used for direct services, as specifically chosen by eligible clients.

(g) EVALUATION.—The Commissioner shall conduct an evaluation of the demonstration projects with respect to the services provided, clients served, client outcomes obtained, implementation issues addressed, the cost effectiveness of the project, and the effects of increased choice on clients and service providers. The Commissioner may reserve funds for the evaluation for a fiscal year from the amounts appropriated to carry out projects under this section for the fiscal year.

(h) DEFINITIONS.—For the purposes of this section:

(1) DIRECT SERVICES.—The term "direct services" means vocational rehabilitation services, as described in section 103(a).

(2) ELIGIBLE CLIENT.—The term "eligible client" means an individual with a disability, as defined in section 7(8)(A), who is not currently receiving services under an individualized written rehabilitation program established through a designated State unit.

SEC. 803. TRAINING ACTIVITIES.

[(a) DISTANCE LEARNING THROUGH TELECOMMUNICATIONS.—

[(1) GRANTS.—The Commissioner shall award at least three grants to eligible institutions of higher education, to support the formation of regional partnerships with other public or private entities for the purpose of developing and implementing in-service training programs, including certificate or degree granting programs concerning vocational rehabilitation services and related services, for vocational rehabilitation professionals through the use of telecommunications.

[(2) APPLICATIONS.—Any eligible entity that desires to receive a grant under this subsection shall submit an application at such time, in such manner, and containing such information and assurances as the Commissioner may require, including—

[(A) a detailed explanation of how the applicant will utilize interactive audio, video, and computer technologies between distant locations to provide in-service training programs to the region;

[(B) a description of how the applicant intends to utilize and build upon existing telecommunications networks within the region to be served;

[(C) a copy of all agreements governing the division of functions within the partnership, including an assurance that all States within the region will be served:

[(D) a copy of a binding commitment entered into between the partnership and each entity that is legally permitted to provide, and from which the partnership is to obtain, the telecommunications services and facilities required for the project, that stipulates that if the partnership receives the grant the entity will provide such telecommunications services and facilities in the area to be served within a reasonable time and at a charge that is in accordance with State law;

[(E) a description of the curriculum to be provided, frequency of providing service, and sites of service;

[(F) a description of the need to purchase or lease—

[(i) computer hardware and software;

[(ii) audio and video equipment;

[(iii) telecommunications terminal equipment; or

[(iv) interactive video equipment;

[(G) an assurance that the partnership will use not less than 75 percent of the amount of the grant for instructional curriculum development and programming; and

[(H) a description of the means by which the project will be evaluated.

[(3) AWARD OF GRANTS.—In awarding grants under paragraph (1), the Commissioner shall take into consideration the sparsity of State populations in the region to be served.

[(4) DEFINITIONS.—For the purposes of this subsection:

[(A) ELIGIBLE ENTITY.—The term "eligible entity" means any institution of higher education with demonstrated experience in the area of continuing education for vocational rehabilitation personnel.

[(B) INTERACTIVE VIDEO EQUIPMENT.—The term "interactive video equipment" means equipment used to produce and prepare video and audio signals for transmission between distant locations so that individuals at such locations can see and hear each other, and related equipment.

[(C) REGION.—The term "region" means one of the ten regions served by the Rehabilitation Services Administration.

[(D) REHABILITATION PROFESSIONALS.—The term "rehabilitation professionals" means personnel described in section 301(a)(1).]

[(b)] *(a)* BRAILLE TRAINING PROJECTS.—

(1) ESTABLISHMENT.—The Commissioner shall make grants to and enter into contracts with States and public or nonprofit agencies and organizations, including institutions of higher education, to pay all or part of the cost of training in the use of Braille for personnel providing vocational rehabilitation services or educational services to youth and adults who are blind.

(2) PROJECTS.—Such grants shall be used for the establishment or continuation of projects that may provide—

(A) development of Braille training materials; and

(B) in-service or pre-service training in the use of Braille and methods of teaching Braille to youth and adults who are blind.

(3) APPLICATION.—To be eligible to receive a grant, or enter into a contract, under paragraph (1), an agency or organization shall submit an application to the Commissioner at such time, in such manner, and containing such information as the Commissioner may require.

[(c)] *(b)* PARENT INFORMATION AND TRAINING PROGRAMS.—

(1) * * *

* * * * * * *

[(d) TRAINING REGARDING IMPARTIAL HEARING OFFICERS.—The Commissioner may award grants to public or nonprofit agencies and organizations to provide training designed to provide impartial hearing officers with the skills necessary to fairly decide appeals under this Act.

[(e) RECRUITMENT AND RETENTION OF URBAN PERSONNEL.—The Commissioner may award grants to public or nonprofit agencies and organizations to develop and demonstrate innovative methods to attract and retain professionals to serve in urban areas in the rehabilitation of individuals with disabilities, including individuals with severe disabilities.]

[(f)] *(c)* CERTAIN REQUIREMENTS.—The requirements of subsections (a) (except the first sentence), (b), and (c), of section 302, and paragraphs (1) and (2) of subsection [(g)] *(f)* of such section, shall apply with respect to grants made available under this section, other than subsection (c). [The requirements of section 306 shall apply with respect to grants made available under this section.]

SECTION 701 OF THE JOB TRAINING REFORM AMENDMENTS OF 1992

[SEC. 701. EFFECTIVE DATE AND TRANSITION PROVISIONS.

[(a) IN GENERAL.—Except as otherwise provided in this section, this Act and the amendments made by this Act shall take effect on July 1, 1993.

[(b) PERFORMANCE STANDARDS.—The Secretary of Labor shall issue revised performance standards under the amendments made by section 115 as soon as the Secretary determines sufficient data are available, but not later than July 1, 1994, except that with respect to the factor of retention in unsubsidized employment specified in section 106(b)(3)(B) of the Job Training Partnership Act (as amended by section 115), the requirement that such retention be for not less than 6 months shall take effect not later than July 1, 1995.

[(c) INTERIM TRAINING SERVICES FORMULA.—

[(1) LEVEL OF FUNDING.—If the amount appropriated to carry out parts A and C of title II of the Job Training Partnership Act for fiscal year 1993 is less than the sum of—

[(A) $25,000,000; and

[(B) the amount appropriated to carry out part A of title II of such Act, as in effect on the day before the date of enactment of this Act, for fiscal year 1992,

the amendment made by section 202 of this Act shall not take effect on July 1, 1993, and section 202 of the Job Training Partnership Act shall be amended to read as follows:

[“SEC. 202. ALLOTMENT AND ALLOCATION.

[“(a) ALLOTMENT.—

[“(1) TERRITORIES.—Not more than $5,000,000 of the amount appropriated pursuant to section 3(a)(1) for each fiscal year and available for this part shall be allotted among Guam, the Virgin Islands, American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and Palau.

[“(2) STATES.—Subject to the provisions of paragraph (3), of the remainder of the amount available for this part for each fiscal year—

[“(A) 33⅓ percent shall be allotted on the basis of the relative number of unemployed individuals residing in areas of substantial unemployment in each State as compared to the total number of such unemployed individuals in all such areas of substantial unemployment in all the States;

[“(B) 33⅓ percent shall be allotted on the basis of the relative excess number of unemployed individuals who reside in each State as compared to the total excess number of unemployed individuals in all the States; and

[“(C) 33⅓ percent shall be allotted on the basis of the relative number of economically disadvantaged adults within each State compared to the total number of economically disadvantaged adults in all States, except that, for the allotment for any State in which there is any service delivery area described in section 101(a)(4)(A)(iii), the allotment shall be based on the higher of the number of adults in families with an income below the low-income level in such area or the number of economically disadvantaged adults in such area.

[“(3) LIMITATIONS.—

[“(A) STATE MINIMUM.—No State shall receive less than one-quarter of 1 percent of the amounts available for allotment to the States under this subsection from the remainder described in paragraph (2) for each fiscal year.

[“(B) MINIMUM PERCENTAGE.—No State shall be allotted less than 90 percent of its allotment percentage for the fiscal year preceding the fiscal year for which the determination is made.

[“(C) ALLOTMENT PERCENTAGE.—

[“(i) IN GENERAL.—Except as provided in clause (ii), for purposes of subparagraph (B), the allotment percentage of a State for a fiscal year shall be the percentage of funds allotted to the State under this subsection.

[“(ii) FISCAL YEAR 1992.—For purposes of subparagraph (B), the allocation percentage of a State for fiscal year 1992 shall be the percentage of funds allotted to the State under section 201, as in effect on the day before the date of enactment of the Job Training Reform Amendments of 1992.

[“(b) ALLOCATION TO SERVICE DELIVERY AREAS.—

[“(1) FORMULA.—The Governor shall, in accordance with section 162, allocate 77 percent of the allotment of the State under subsection (a) for each fiscal year among service delivery areas within the State, and shall ensure that, subject to the provisions of paragraph (3), of the amount allocated under this subsection—

[“(A) 33⅓ percent shall be allocated on the basis of the relative number of unemployed individuals residing in areas of substantial unemployment in each service delivery area as compared to the total number of such unemployed individuals in all such areas of substantial unemployment in the State;

[“(B) 33⅓ percent shall be allocated on the basis of the relative excess number of unemployed individuals who reside in each service delivery area as compared to the total excess number of unemployed individuals in all service delivery areas in the State; and

[“(C) 33⅓ percent shall be allocated on the basis of the relative number of economically disadvantaged adults within each service delivery area compared to the total number of economically disadvantaged adults in the State, except that the allocation for any service delivery area described in section 101(a)(4)(A)(iii) shall be based on the higher of the number of adults in families with an income below the low-income level in such area or the number of economically disadvantaged adults in such area.

[“(2) LIMITATIONS.—

[“(A) MINIMUM PERCENTAGE.—No service delivery area within any State shall be allocated an amount equal to less than 90 percent of the average of its allocation percentage for the 2 preceding fiscal years preceding the fiscal year for which the determination is made. If the amounts appropriated pursuant to section 3(a)(1) for a fiscal year and available to carry out this part are not sufficient to provide an amount equal to at least 90 percent of such allocation percentage to each such area, the amounts allocated to each area shall be ratably reduced.

[“(B) ALLOCATION PERCENTAGE.—

[“(i) IN GENERAL.—Except as provided in clause (ii), for purposes of subparagraph (A), the allocation percentage of a service delivery area for a fiscal year shall be the percentage of funds allocated to the service delivery area under this subsection.

[“(ii) FISCAL YEAR 1992.—For purposes of subparagraph (A), the allocation percentage of a service delivery area for fiscal year 1992 shall be the percentage of funds allocated to the service delivery area under part A of title II.

[“(c) STATE ACTIVITIES.—

["(1) DIVISION.—Of the remaining 23 percent of the allotment of the State under subsection (a) for each fiscal year—

["(A) 5 percent of such allotment of the State for each fiscal year shall be available to the Governor of the State to be used for overall administration, management, and auditing activities relating to programs under this title and for activities described in sections 121 and 122;

["(B) 5 percent of such allotment of each State for each fiscal year shall be available to provide incentive grants authorized under section 106(b)(7), in accordance with paragraph (2);

["(C) 8 percent of the allotment of each State for each fiscal year shall be available to carry out section 123; and

["(D) 5 percent of such allotment of each State for each fiscal year shall be available to carry out section 204(d).

["(2) OTHER USES.—

["(A) CAPACITY BUILDING AND TECHNICAL ASSISTANCE.—The Governor may use up to 33 percent of the amount allotted under paragraph (1)(B) for providing capacity building and technical assistance to service delivery areas and service providers. Such use of funds may include the development and training of service delivery area and service provider staff and the development of exemplary program activities.

["(B) NONDUPLICATION AND COORDINATION.—Funds used under subparagraph (A)—

["(i) may not be used to duplicate the activities of the Capacity Building and Information and Dissemination Network established under section 453(b); and

["(ii) shall, to the extent practicable, be used to coordinate the activities under subparagraph (A) with the activities of the Network under section 453(b).

["(d) DEFINITIONS AND RULE.—As used in this section:

["(1) DEFINITIONS.—

["(A) ECONOMICALLY DISADVANTAGED ADULT.—The term 'economically disadvantaged adult' means an individual who is age 22 through 72 and who has, or is a member of a family that has, received a total family income (exclusive of unemployment compensation, child support payments, and welfare payments) that, in relation to family size, was not in excess of the higher of—

["(i) the official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902(2)); or

["(ii) 70 percent of the lower living standard income level.

["(B) EXCESS NUMBER.—The term 'excess number' means—

["(i) with respect to the excess number of unemployed individuals within a State—

["(I) the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the State; or

["(II) the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in areas of substantial unemployment in such State; and

["(ii) with respect to the excess number of unemployed individuals within a service delivery area—

["(I) the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the service delivery area; or

["(II) the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in areas of substantial unemployment in such service delivery area.

["(C) STATE.—The term 'State' means any of the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

["(2) SPECIAL RULE.—For the purposes of this section, the Secretary shall, as appropriate and to the extent practicable, exclude college students and members of the Armed Forces from the determination of the number of economically disadvantaged adults.".

[(2) EFFECTIVE DATE.—Any amendment made by paragraph (1) shall take effect on July 1, 1993.

[(d) PERMANENT TRAINING SERVICES FORMULA.—

[(1) LEVEL OF FUNDING.—If section 202 of the Job Training Partnership Act is amended in accordance with subsection (c) and the amount appropriated to carry out parts A and C of title II of the Job Training Partnership Act for a fiscal year is not less than the sum of—

[(A) $25,000,000; and

[(B) the amount appropriated to carry out part A of title II of such Act, as in effect on the day before the date of enactment of this Act, for fiscal year 1992,

the amendment made by section 202 of this Act shall take effect.

[(2) EFFECTIVE DATE.—Any amendment made by paragraph (1) shall take effect on October 1 of the fiscal year described in paragraph (1).

[(e) SUMMER YOUTH PROGRAM TRANSFERS.—

[(1) IN GENERAL.—Section 205 and the amendment made by such section 205 shall take effect on the date of enactment of this Act.

[(2) TRANSITION.—A service delivery area may transfer up to 10 percent of the amounts allocated for such area for the summer of 1992 under part B of title II of the Job Training Partnership Act for program year 1992 to provide services to youth pursuant to the program under part A of such title, to provide services to youth under such part A, if such transfer is approved by the Governor.

[(f) INTERIM TRAINING SERVICES FORMULA.—

[(1) LEVEL OF FUNDING.—If the amount appropriated to carry out parts A and C of title II of the Job Training Partnership Act for fiscal year 1993 is less than the sum of—

[(A) $25,000,000; and

[(B) the amount appropriated to carry out part A of title II of such Act, as in effect on the day before the date of enactment of this Act, for fiscal year 1992,

the amendment made by section 207 of this Act shall not take effect on July 1, 1993, and title II of the Job Training Partnership Act shall be amended by inserting after section 261 of such Act the following:

[“SEC. 262. ALLOTMENT AND ALLOCATION.

[“(a) ALLOTMENT.—

[“(1) TERRITORIES.—Not more than $5,000,000 of the amount appropriated pursuant to section 3(a)(1) for each fiscal year and available for this part shall be allotted among Guam, the Virgin Islands, American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and Palau.

[“(2) STATES.—Subject to the provisions of paragraph (3), of the remainder of the amount available for this part for each fiscal year—

[“(A) 33⅓ percent shall be allotted on the basis of the relative number of unemployed individuals residing in areas of substantial unemployment in each State as compared to the total number of such unemployed individuals in all such areas of substantial unemployment in all the States;

[“(B) 33⅓ percent shall be allotted on the basis of the relative excess number of unemployed individuals who reside in each State as compared to the total excess number of unemployed individuals in all the States; and

[“(C) 33⅓ percent shall be allotted on the basis of the relative number of economically disadvantaged youth within each State compared to the total number of economically disadvantaged youth in all States, except that, for the allotment for any State in which there is any service delivery area described in section 101(a)(4)(A)(iii), the allotment shall be based on the higher of the number of youth in families with an income below the low-income level in such area or the number of economically disadvantaged youth in such area.

[“(3) LIMITATIONS.—

[“(A) STATE MINIMUM.—No State shall receive less than one-quarter of 1 percent of the amounts available for allotment to the States under this subsection from the remainder described in paragraph (2) for each fiscal year.

[“(B) MINIMUM PERCENTAGE.—No State shall be allotted less than 90 percent of its allotment percentage for the fiscal year preceding the fiscal year for which the determination is made.

[“(C) ALLOTMENT PERCENTAGE.—

[“(i) IN GENERAL.—Except as provided in clause (ii), for purposes of subparagraph (B), the allotment percentage of a State for a fiscal year shall be the percentage of funds allotted to the State under this subsection.

[“(ii) FISCAL YEAR 1992.—For purposes of subparagraph (B), the allocation percentage of a State for fiscal year 1992 shall be the percentage of funds allotted to the State under section 201, as in effect on the day before the date of enactment of the Job Training Reform Amendments of 1992.

[“(b) ALLOCATION TO SERVICE DELIVERY AREAS.—

[“(1) FORMULA.—The Governor shall, in accordance with section 162, allocate 82 percent of the allotment of the State under subsection (a) for each fiscal year among service delivery areas within the State, and shall ensure that, subject to the provisions of paragraph (3), of the amount allocated under this subsection—

[“(A) 33⅓ percent shall be allocated on the basis of the relative number of unemployed individuals residing in areas of substantial unemployment in each service delivery area as compared to the total number of such unemployed individuals in all such areas of substantial unemployment in the State;

[“(B) 33⅓ percent shall be allocated on the basis of the relative excess number of unemployed individuals who reside in each service delivery area as compared to the total excess number of unemployed individuals in all service delivery areas in the State; and

[“(C) 33⅓ percent shall be allocated on the basis of the relative number of economically disadvantaged youth within each service delivery area compared to the total number of economically disadvantaged youth in the State, except that the allocation for any service delivery area described in section 101(a)(4)(A)(iii) shall be based on the higher of the number of youth in families with an income below the low-income level in such area or the number of economically disadvantaged youth in such area.

[“(2) LIMITATIONS.—

[“(A) MINIMUM PERCENTAGE.—No service delivery area within any State shall be allocated an amount equal to less than 90 percent of the average of its allocation percentage for the 2 preceding fiscal years preceding the fiscal year for which the determination is made. If the amounts appropriated pursuant to section 3(a)(1) for a fiscal year and available to carry out this part are not sufficient to provide an amount equal to at least 90 percent of such allocation percentage to each such area, the amounts allocated to each area shall be ratably reduced.

[“(B) ALLOCATION PERCENTAGE.—

[“(i) IN GENERAL.—Except as provided in clause (ii), for purposes of subparagraph (A), the allocation percentage of a service delivery area for a fiscal year shall be the percentage of funds allocated to the service delivery area under this subsection.

[“(ii) FISCAL YEAR 1992.—For purposes of subparagraph (A), the allocation percentage of a service delivery area for fiscal year 1992 shall be the percentage of funds allocated to the service delivery area under part A of title II.

[“(c) STATE ACTIVITIES.—

[“(1) DIVISION.—Of the remaining 18 percent of the allotment of the State under subsection (a) for each fiscal year—

[“(A) 5 percent of such allotment of the State for each fiscal year shall be available to the Governor of the State to be used for overall administration, management, and auditing activities relating to programs under this title and for activities described in sections 121 and 122;

[“(B) 5 percent of such allotment of each State for each fiscal year shall be available to provide incentive grants authorized under section 106(b)(7), in accordance with paragraph (2); and

[“(C) 8 percent of the allotment of each State for each fiscal year shall be available to carry out section 123.

[“(2) OTHER USES.—

[“(A) CAPACITY BUILDING AND TECHNICAL ASSISTANCE.—The Governor may use up to 33 percent of the amount allotted under paragraph (1)(B) for providing capacity building and technical assistance to service delivery areas and service providers. Such use of funds may include the development and training of service delivery area and service provider staff and the development of exemplary program activities.

[“(B) NONDUPLICATION AND COORDINATION.—Funds used under subparagraph (A)—

[“(i) may not be used to duplicate the activities of the Capacity Building and Information and Dissemination Network established under section 453(b); and

[“(ii) shall, to the extent practicable, be used to coordinate the activities under subparagraph (A) with the activities of the Network under section 453(b).

[“(d) DEFINITIONS AND RULE.—As used in this section:

[“(1) DEFINITIONS.—

[“(A) ECONOMICALLY DISADVANTAGED YOUTH.—The term ‘economically disadvantaged youth’ means an individual who is age 16 through 21 and who has, or is a member of a family that has, received a total family income (exclusive of unemployment compensation, child support payments, and welfare payments) that, in relation to family size, was not in excess of the higher of—

[“(i) the official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902(2)); or

[“(ii) 70 percent of the lower living standard income level.

[“(B) EXCESS NUMBER.—The term ‘excess number’ means—

[“(i) with respect to the excess number of unemployed individuals within a State—

["(I) the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the State; or

["(II) the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in areas of substantial unemployment in such State; and

["(ii) with respect to the excess number of unemployed individuals within a service delivery area—

["(I) the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in the service delivery area; or

["(II) the number that represents the number of unemployed individuals in excess of 4.5 percent of the civilian labor force in areas of substantial unemployment in such service delivery area.

["(C) STATE.—The term 'State' means any of the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

["(2) SPECIAL RULE.—For the purposes of this section, the Secretary shall, as appropriate and to the extent practicable, exclude college students and members of the Armed Forces from the determination of the number of economically disadvantaged youth.".

[(2) EFFECTIVE DATE.—Any amendment made by paragraph (1) shall take effect on July 1, 1993.

[(g) PERMANENT TRAINING SERVICES FORMULA.—

[(1) LEVEL OF FUNDING.—If title II of the Job Training Partnership Act is amended in accordance with subsection (f) and the amount appropriated to carry out parts A and C of title II of the Job Training Partnership Act for a fiscal year is not less than the sum of—

[(A) $25,000,000; and

[(B) the amount appropriated to carry out part A of title II of such Act, as in effect on the day before the date of enactment of this Act, for fiscal year 1992,

the amendment made by section 207 of this Act shall take effect.

[(2) EFFECTIVE DATE.—Any amendment made by paragraph (1) shall take effect on October 1 of the fiscal year described in paragraph (1).

[(h) EVALUATION.—The Secretary of Labor shall evaluate the impact of programs under title II of the Job Training Partnership Act on participant employment, earnings and welfare dependency in multiple sites, using the random assignment of individuals to groups receiving services under programs authorized under the Job Training Reform Amendments of 1992 to groups not receiving such services.

[(i) RULES AND PROCEDURES.—

[(1) IN GENERAL.—The Secretary of Labor may establish such rules and procedures as may be necessary to provide for an orderly implementation of the amendments made by this Act.

[(2) REVIEW.—The Secretary of Labor, the Governors, and the service delivery areas shall conduct a comprehensive review of the current policies, practices, procedures, and delivery systems relating to programs authorized under the Job Training Partnership Act for the purpose of ensuring the effective implementation of the amendments made by this Act. Such review shall include consideration of the appropriateness of current service delivery area designations, the representativeness of current State and local councils, the adequacy of current administrative systems, the effectiveness of current outreach, service delivery, and coordination activities, and other relevant matters.

[(j) IMPLEMENTING REGULATIONS.—The Secretary of Labor shall issue final regulations relating to the implementation of the amendments made by this Act not later than December 18, 1992.]

SECTION 7 OF PUBLIC LAW 98-524

[JOB TRAINING REGULATIONS

[SEC. 7. Notwithstanding section 629.38(e)(2)(iii) of title 20 of the Code of Federal Regulations, relating to allowable training costs under the Job Training Partnership Act, payment for training packages purchased competitively pursuant to section 141(d)(3) of such Act in the case of youth shall include payment for the full unit price if the training results in either placement in unsubsidized employment or the attainment of an outcome specified in section 106(b)(2) of such Act.]

SECTION 402 OF THE VETERANS' BENEFITS AND PROGRAMS IMPROVEMENT ACT OF 1988

SEC. 402. COORDINATION OF INFORMATION AND ASSISTANCE.

(a) PURPOSE.—It is the purpose of this section to ensure that veterans who are dislocated workers eligible for assistance under [title III of the Job Training Partnership Act (29 U.S.C. 1651 et seq.)] *the Employment, Training, and Literacy Enhancement Act* or are otherwise unemployed receive, to the extent feasible, assistance (including information on vocational guidance or vocational counseling, or information on both vocational guidance or vocational counseling), including information on counseling, needed by such veterans—

(1) * * *

* * * * * * *

(c) COORDINATION OF DEPARTMENT OF LABOR ACTIVITIES.—The Assistant Secretary of Labor for Veterans' Employment and [Training, in consultation with the office designated or created under section 322(b) of the Job Training Partnership Act,] *Training* shall, except as the Secretary of Labor may otherwise direct, coordinate the activities of the components of the Department of

Labor performing the responsibilities of the Secretary of Labor under this section.

(d) Covered Services and Benefits.—This section applies with respect to the following services and benefits:

(1) Employment assistance [under—

[(A) part C of title IV of the Job Training Partnership Act (96 Stat. 1380; 29 U.S.C. 1721 et seq.); and

[(B) the Veterans'] *under the Veterans'* Job Training Act (97 Stat. 443; 29 U.S.C. 1721 note).

(2) [Employment and training assistance for dislocated workers under title III of the Job Training Partnership Act (29 U.S.C. 1651 et seq.).] *Employment, training, and literacy activities under the Employment, Training, and Literacy Enhancement Act.*

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VETERANS' JOB TRAINING ACT

* * * * * * *

COORDINATION WITH OTHER PROGRAMS

Sec. 13. (a) * * *

(b) Assistance may not be paid under this Act to an employer on behalf of an eligible veteran for any period if the employer receives for that period any other form of assistance on account of the training or employment of the veteran, including [assistance under the Job Training Partnership Act (29 U.S.C. 1501 et seq.)] *assistance under the Employment, Training, and Literacy Enhancement Act* or a credit under section 44B of the Internal Revenue Code of 1954 (26 U.S.C. 44B) (relating to credit for employment of certain new employees).

* * * * * * *

COUNSELING

Sec. 14. (a) * * *

(b)(1) The Secretary shall provide for a program under which—

(A) * * *

* * * * * * *

(3) The Secretary and the Administrator shall jointly provide, to the extent feasible—

(A) * * *

(B) a program of information services under which—

(i) each veteran who enters into a program of job training under this Act and each employer participating under this Act is informed of the supportive services and resources available to the veteran (I) under clauses (A) and (B), (II) through Veterans' Administration counseling and career-development activities (especially, in the case of a Vietnam-era veteran, readjustment counseling services under section 612A of such title) and [under part C of title IV of the Job Training Partnership Act (29 U.S.C. 1501 et seq.)] *under the Employment, Training, and Literacy Enhancement Act*, and (III) through other appropriate agencies in the community; and

* * * * * * *

INFORMATION AND OUTREACH; USE OF AGENCY RESOURCES

SEC. 15. (a) * * *

* * * * * * *

(c)(1) * * *

(2) In carrying out the responsibilities of the Secretary under this Act, the Secretary shall make maximum use of the services of Directors and Assistant Directors for Veterans' Employment and Training, disabled veterans' outreach program specialists, and employees of local offices appointed pursuant to sections 4103, 4103A, and 4104 of title 38, Unites States Code. The Secretary shall also use such resources as are available under [part C of title IV of the Job Training Partnership Act (29 U.S.C. 1501 et seq.)] *the Employment, Training, and Literacy Enhancement Act*. To the extent that the Administrator withholds approval of veterans' applications under this Act pursuant to section 5(b)(2)(B), the Secretary shall take steps to assist such veterans in taking advantage of opportunities that may be available to them under [title III of] that Act or under any other program, carried out with funds provided by the Secretary.

* * * * * * *

SECTION 3 OF THE WORKER ADJUSTMENT AND RETRAINING NOTIFICATION ACT

SEC. 3. NOTICE REQUIRED BEFORE PLANT CLOSINGS AND MASS LAYOFFS.

(a) NOTICE TO EMPLOYEES, STATE DISLOCATED WORKER UNITS, AND LOCAL GOVERNMENTS.—An employer shall not order a plant closing or mass layoff until the end of a 60-day period after the employer serves written notice of such an order—

(1) * * *

(2) to the State dislocated worker unit (designated or created under [title III of the Job Training Partnership Act] *title II, III, or IV of the Employment, Training, and Literacy Enhancement Act*) and the chief elected official of the unit of local government within which such closing or layoff is to occur.

* * * * * * *

SECTION 6703 OF TITLE 31, UNITED STATES CODE

§ 6703. Qualification for payment

(a) IN GENERAL.—The Secretary shall issue regulations establishing procedures under which eligible units of general local government are required to provide notice to the Secretary of the units' proposed use of assistance under this chapter. Subject to subsection (c), the assistance provided shall be used, in amounts determined by the unit, for activities under, or for activities that are substantially similar to an activity under, 1 or more of the following programs and the notice shall identify 1 or more of the following programs for each such use:

(1) * * *

* * * * * * *

[(4) Programs under title II or IV of the Job Training Partnership Act (29 U.S.C. 1601 et seq.).]

(4) Programs under title III or IV of the Employment, Training, and Literacy Enhancement Act.

* * * * * * *

SECTION 512 OF THE VETERANS' REHABILITATION AND EDUCATION AMENDMENTS OF 1980

EMPLOYMENT ASSISTANCE AND SERVICES FOR VETERANS INELIGIBLE FOR ASSISTANCE UNDER CHAPTER 41

SEC. 512. The Secretary of Labor shall assure that any veteran who is made ineligible for employment assistance under chapter 41 of title 38, United States Code, by virtue of the amendments made by section 503(1) of this Act shall be provided with the employment assistance and services made available under the provisions of the Act entitled "An Act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes", approved June 6, 1933 (commonly referred to as the "Wagner-Peyser Act"), (29 U.S.C. 49–49k), [the Comprehensive Employment and Training Act (29 U.S.C. et seq.),] *the Employment, Training, and Literacy Enhancement Act,* and other applicable provisions of law.

TITLE 38, UNITED STATES CODE

* * * * * * *

PART III—READJUSTMENT AND RELATED BENEFITS

* * * * * * *

CHAPTER 41—JOB COUNSELING, TRAINING, AND PLACEMENT SERVICE FOR VETERANS

* * * * * * *

§4102A. Assistant Secretary of Labor for Veterans' Employment and Training; Regional Administrators

(a) * * *

* * * * * * *

(d) The Assistant Secretary of Labor for Veterans' Employment and Training shall promote and monitor participation of qualified veterans and eligible persons in employment and training opportunities under [the Job Training Partnership Act] *the Employment, Training, and Literacy Enhancement Act* and other federally funded employment and training programs.

* * * * * * *

§4103A. Disabled veterans' outreach program

(a) * * *

* * * * * * *

(c) Each disabled veterans' outreach program specialist shall carry out the following functions for the purpose of providing services to eligible veterans in accordance with the priorities set forth in subsection (b) of this section:

(1) * * *

* * * * * * *

(4) Provision of appropriate assistance to community-based groups and organizations and appropriate grantees under other Federal and federally funded employment and training programs (including part C of title IV of the [Job Training Partnership Act (29 U.S.C. 1501 et seq.))] *Employment, Training, and Literacy Enhancement Act)* in providing services to such veterans.

* * * * * * *

CHAPTER 42—EMPLOYMENT AND TRAINING OF VETERANS

* * * * * * *

§4213. Eligibility requirements for veterans under Federal employment and training programs

Any (1) amounts received as pay or allowances by any person while serving on active duty, (2) period of time during which such person served on such active duty, and (3) amounts received under chapters 11, 13, 30, 31, 35, and 36 of this title by an eligible veteran, any amounts received by an eligible person under chapters 13 and 35 of such title, and any amounts received by an eligible person under chapter 106 of title 10, shall be disregarded in determining eligibility under any public service employment program, any emergency employment program, any job training program assisted under the Economic Opportunity Act of 1964, any employment or training program assisted under the [Job Training Partnership Act (29 U.S.C. 1501 et seq.),] *Employment, Training, and Literacy Enhancement Act,* or any other employment or training (or related) program financed in whole or in part with Federal funds.

* * * * * * *

SECTION 23 OF THE UNITED STATES HOUSING ACT OF 1937

SEC. 23. FAMILY SELF-SUFFICIENCY PROGRAM.

(a) * * *

(b) ESTABLISHMENT OF PROGRAM.—

(1) * * *

(2) EXCEPTION.—The Secretary shall not require a public housing agency to carry out a local program under subsection (a) if the public housing agency provides certification (as such term is defined under title I of the Cranston-Gonzalez National Affordable Housing Act) to the Secretary, that the establishment and operation of the program is not feasible because of local circumstances, which may include—

(A) lack of supportive services accessible to eligible families, which shall include insufficient availability of resources for programs under [the Job Training Partnerships Act or the] *the Employment, Training, and Literacy Enhancement Act or the* Job Opportunities and Basic Skills Training Program under part F of title IV of the Social Security Act;

* * * * * * *

(f) PROGRAM COORDINATING COMMITTEE.—

(1) * * *

(2) MEMBERSHIP.—The program coordinating committee may consist of representatives of the public housing agency, the unit of general local government, the local agencies (if any) responsible for carrying out [programs under the Job Training Partnership Act and the] *programs under title II, III, or IV of the Employment, Training, and Literacy Enhancement Act and the* Job Opportunities and Basic Skills Training Program under part F of title IV of the Social Security Act, and other organizations, such as other State and local welfare and employment agencies, public and private education or training institutions, nonprofit service providers, and private businesses. The public housing agency may, in consultation with the chief executive officer of the unit of general local government, utilize an existing entity as the program coordinating committee if it meets the requirements of this subsection.

(g) ACTION PLAN.—

(1) * * *

(2) DEVELOPMENT OF PLAN.—In developing the plan, the public housing agency shall consult with the chief executive officer of the applicable unit of general local government, the program coordinating committee established under subsection (f), representatives of residents of the public housing, any local agencies responsible for [programs under the Job Training Partnership Act and the] *programs under title II, III, or IV of the Employment, Training, and Literacy Enhancement Act and the* Job Opportunities and Basic Skills Training Program under part F of title IV of the Social Security Act, other appropriate organizations (such as other State and local welfare and employment or training institutions, child care providers, nonprofit service

providers, and private businesses), and any other public and private service providers affected by the operation of the local program.

(3) CONTENTS OF PLAN.—The Secretary shall require that the action plan contain at a minimum—

(A) * * *

* * * * * * *

(H) assurances satisfactory to the Secretary that development of the services and activities under the local program has been coordinated with the Job Opportunities and Basic Skills Training Program under part F of title IV of the Social Security Act and [program under the Job Training Partnership Act and any other] *program under title II, III, or IV of the Employment, Training, and Literacy Enhancement Act and any other* relevant employment, child care, transportation, training, and education programs in the applicable area, and that implementation will continue to be coordinated, in order to avoid duplication of services and activities; and

* * * * * * *

SECTION 504 OF THE HOUSING ACT OF 1949

SEC. 504. (a) * * *

* * * * * * *

(c)(1) * * *

* * * * * * *

(3) In carrying out this subsection, the Secretary shall (A) implement the weatherization standards described in paragraphs (2)(A) and (3) of section 413(b) of the Energy Conservation in Existing Buildings Act of 1976, and (B) provide that, with respect to any dwelling unit, not more than $800 of any grant made under this section be expended on weatherization materials and related matters described in section 415(c) of the Energy Conservation in Existing Buildings Act of 1976, except that the Secretary shall increase such amount to not more than $1,500 to cover labor costs in areas where the Secretary, in consultation with the Secretary of Labor, determines there is an insufficient number of volunteers and training participants and public service employment workers, assisted [pursuant to the Comprehensive Employment and Training Act of 1973 or the] *pursuant to the Employment, Training, and Literacy Enhancement Act or the* Older American Community Service Employment Act, available to work on weatherization projects under the supervision of qualified supervisors.

* * * * * * *

OLDER AMERICANS ACT OF 1965

* * * * * * *

TITLE II—ADMINISTRATION ON AGING

*   *   *   *   *   *   *

FEDERAL AGENCY CONSULTATION

SEC. 203. (a)(1) * * *

(2) The head of each department, agency, or instrumentality of the Federal Government proposing to establish programs and services substantially related to the objectives of this Act shall consult with the Assistant Secretary prior to the establishment of such programs and services. To achieve appropriate coordination, the head of each department, agency, or instrumentality of the Federal Government administering any program substantially related to the objectives of this Act, particularly administering any program referred to in subsection (b), shall consult and cooperate with the Assistant Secretary in carrying out such program. [In particular, the Secretary of Labor shall consult and cooperate with the Assistant Secretary in carrying out the Job Training Partnership Act (29 U.S.C. 1501 et seq.).] *In particular, the Secretary of Labor and the Secretary of Education shall consult and cooperate with the Assistant Secretary in carrying out the Employment, Training, and Literacy Enhancement Act of 1997.*

(b) For the purposes of subsection (a), programs related to the objectives of this Act shall include—

[(1) the Job Training Partnership Act,]

(1) the Employment, Training, and Literacy Enhancement Act,

*   *   *   *   *   *   *

TITLE V—COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

*   *   *   *   *   *   *

OLDER AMERICAN COMMUNITY SERVICE EMPLOYMENT PROGRAM

SEC. 502. (a) * * *

(b)(1) In order to carry out the provisions of this title, the Secretary is authorized to enter into agreements with public or private nonprofit agencies or organizations, including national organizations, agencies of a State government or a political subdivision of a State (having elected or duly appointed governing officials), or a combination of such political subdivisions, or tribal organizations in order to further the purposes and goals of the program. Such agreements may include provisions for the payment of costs, as provided in subsection (c), of projects developed by such organizations and agencies in cooperation with the Secretary in order to make the program effective or to supplement the program. No payment shall be made by the Secretary toward the cost of any project established or administered by any such organization or agency unless the Secretary determines that such project—

(A) * * *

*   *   *   *   *   *   *

(N)(i) will prepare an assessment of—

(I) the participants' skills and talents;

(II) their need for supportive services; and

(III) their physical capabilities;

except to the extent such project has, for the particular participant involved, an assessment of such skills and talents, such need, or such capabilities prepared recently pursuant to another employment or training program (such as a program under [the Job Training Partnership Act (29 U.S.C. 1501 et seq.)] *the Employment, Training, and Literacy Enhancement Act* or the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.));

* * * * * * *

(e)(1) * * *

(2) The Secretary shall issue, and amend from time to time, criteria designed to assure that agreements entered into under paragraph (1) of this subsection—

(A) * * *

* * * * * * *

(C) require the coordination of projects carried out under such agreements, with the programs [carried out under section 124 of the Job Training Partnership Act (29 U.S.C. 1534)] *employment and training activities carried out under title III of the Employment, Training, and Literacy Enhancement Act.*

* * * * * * *

ADMINISTRATION

SEC. 503. (a) * * *

(b)(1) The Secretary shall coordinate the program assisted under this title with programs authorized under [the Job Training Partnership Act,] *the Employment, Training, and Literacy Enhancement Act,* the Community Services Block Grant Act, and the Vocational Education Act of 1984. The Secretary shall coordinate the administration of this title with the administration of titles III, IV, and VI by the Assistant Secretary for Aging, to increase the likelihood that eligible individuals for whom employment opportunities under this title are available and who need services under such titles receive such services. Appropriations under this Act may not be used to carry out any program under [the Job Training Partnership Act,] *the Employment, Training, and Literacy Enhancement Act,* the Community Services Block Grant Act, or the Vocational Education Act of 1984. The preceding sentence shall not be construed to prohibit carrying out projects under this title jointly with programs, projects, or activities under any Act specified in such sentence.

* * * * * * *

SECTION 1801 OF THE OMNIBUS CRIME CONTROL AND SAFE STREETS ACT OF 1968

SEC. 1801. GRANT AUTHORIZATION.

(a) * * *

(b) ALTERNATIVE METHODS.—The alternative methods of punishment referred to in subsection (a) should ensure certain punishment for young offenders and promote reduced recidivism, crime prevention, and assistance to victims, particularly for young offenders who can be punished more effectively in an environment other than a traditional correctional facility, including—

(1) * * *

* * * * * * *

(3) innovative projects, such as projects consisting of education and job training activities for incarcerated young offenders, modeled, to the extent practicable, after activities carried out under part B of title IV of the [Job Training Partnership Act (relating to Job Corps) (29 U.S.C. 1691 et seq.)] *Employment, Training, and Literacy Enhancement Act* and projects that provide family counseling;

* * * * * * *

SECTION 2 OF THE ENVIRONMENTAL PROGRAMS ASSISTANCE ACT OF 1984

ENVIRONMENTAL PROGRAMS

SEC. 2. (a) Notwithstanding any other provision of law relating to Federal grants and cooperative agreements, the Administrator of the Environmental Protection Agency is authorized to make grants to, or enter into cooperative agreements with, private nonprofit organizations designated by the Secretary of Labor under title V of the Older Americans Act of 1965 to utilize the talents of older American in programs authorized by other provisions of law administered by the Administrator (and consistent with such provisions of law) in providing technical assistance to Federal, State, and local environmental agencies for projects of pollution prevention, abatement, and control. Funding for such grants or agreements may be made available form such programs or through title V of the Older Americans Act of 1965 and title IV of the [Job Training Partnership Act] *Employment, Training, and Literacy Enhancement Act.*

* * * * * * *

DOMESTIC VOLUTEER SERVICE ACT OF 1973

* * * * * * *

TITLE I—NATIONAL VOLUNTEER ANTIPOVERTY PROGRAMS

PART A—VOLUNTEERS IN SERVICE TO AMERICA

* * * * * * *

SELECTION AND ASSIGNMENT OF VOLUNTEERS

SEC. 103. (a) * * *

* * * * * * *

(d) The Director shall provide each low-income community volunteer with an individual plan for job advancement or for transition to a situation leading to gainful employment. [Whenever feasible, such efforts shall be coordinated with an appropriate private industry council under the Job Training Partnership Act.] *Whenever feasible, such efforts shall be coordinated with a local workforce development board established under section 122 of the Employment, Training, and Literacy Enhancement Act.*

* * * * * * *

VISTA LITERACY CORPS

SEC. 109. (a) * * *

* * * * * * *

(c)(1) The Director shall assign volunteers under this subsection to projects and programs that utilize volunteers to address the needs of illiterate individuals.

(2) Programs and projects under this subsection may be administered by public or private nonprofit agencies and organizations including local, State, and national literacy councils and organizations; community-based nonprofit organizations; local and State education agencies; local and State agencies administering adult basic education programs; educational institutions; libraries; antipoverty organizations; local, municipal, and State governmental entities, and administrative entities designated to administer job training plans under the [Job Training Partnership Act] *Employment, Training, and Literacy Enhancement Act.*

* * * * * * *

(d)(1) The Director shall assign volunteers under this subsection to projects and programs that primarily utilize volunteers to tutor illiterate individuals.

(2) Programs and projects under this subsection may be administered by local public or private nonprofit agencies and organizations including local literacy councils and organizations, community-based nonprofit organizations, local educational agencies, local agencies administering adult basic education programs, local educational institutions, libraries, antipoverty organizations, local and municipal governmental entities, and administrative entities designated to administer job training plans under the [Job Training Partnership Act] *Employment, Training, and Literacy Enhancement Act.*

* * * * * * *

SECTION 304 OF THE AGE DISCRIMINATION ACT OF 1975

REGULATIONS

SEC. 304. (a) * * *

* * * * * * *

(c)(1) Except with respect to any program or activity receiving Federal financial assistance for public service employment under [the Comprehensive Employment and Training Act of 1974 (29 U.S.C. 801, et seq.), as amended,] *the Employment, Training, and Literacy Enhancement Act* nothing in this title shall be construed to authorize action under this title by any Federal department or agency with respect to any employment practice of any employer, employment agency, or labor organization, or with respect to any labor-management joint apprenticeship training program.

* * * * * * *

SECTION 414 OF THE ENERGY CONSERVATION AND PRODUCTION ACT

FINANCIAL ASSISTANCE

SEC. 414. (a) * * *

(b) The Secretary shall not provide financial assistance under this part unless the applicant has provided reasonable assurances that it has—

(1) * * *

* * * * * * *

(3) established policies and procedures designed to assure that financial assistance provided under this part will be used to supplement, and not to supplant, State or local funds, and, to the extent practicable, to increase the amounts of such funds that would be made available in the absence of Federal funds for carrying out the purpose of this part, including plans and procedures (A) for securing, to the maximum extent practicable, the services of volunteers and training participants and public service employment workers, pursuant to [the Comprehensive Employment and Training Act of 1973] *the Employment, Training, and Literacy Enhancement Act*, to work under the supervision of qualified supervisors and foremen, (B) for using Federal financial assistance under this part to increase the portion of low-income weatherization assistance that the State obtains from non-Federal sources, including private sources, and (C) for complying with the limitations set forth in section 415; and

* * * * * * *

SECTION 233 OF THE NATIONAL ENERGY CONSERVATION POLICY ACT

SEC. 233. AVAILABILITY OF LABOR.

The following actions shall be taken in order to assure that there is a sufficient number of volunteers and training participants and public service employment workers, assisted pursuant to [the Comprehensive Employment and Training Act of 1973] *the Employment, Training, and Literacy Enhancement Act* and the Older American Community Service Employment Act, available to work in support of weatherization programs conducted under part A of the Energy Conservation in Existing Buildings Act of 1976, section 222(a)(12) of the Economic Opportunity Act of 1964, and section 504 of the Housing Act of 1949:

(1) * * *

* * * * * * *

SECTION 617 OF THE COMMUNITY ECONOMIC DEVELOPMENT ACT OF 1981

ESTABLISHMENT AND SCOPE OF PROGRAMS

SEC. 617. (a) The Secretary is authorized to provide financial assistance in the form of grants to nonprofit and for profit community development corporations and other affiliated and supportive agencies and organizations associated with qualifying community development corporations for the payment of all or part of the cost of programs which are designed to carry out the purposes of this part. Financial assistance shall be provided so that each community economic development program is of sufficient size, scope, and duration to have an appreciable impact on the area served. Such programs may include—

(1) * * *

* * * * * * *

(3) training and public service employment programs and related services for unemployed or low-income persons which support and complement community development programs financed under this part, including, without limitation, [activities such as those described in the Comprehensive Employment and Training Act] *employment and training activities described in the Employment, Training, and Literacy Enhancement Act*; and

* * * * * * *

SECTION 103 OF THE STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT

SEC. 103. GENERAL DEFINITION OF HOMELESS INDIVIDUAL.

(a) * * *

(b) Income Eligibility.—

(1) * * *

(2) Exception.—Notwithstanding paragraph (1), a homeless individual shall be eligible for assistance under [the Job Training Partnership Act] *the Employment, Training, and Literacy Enhancement Act*.

* * * * * * *

NATIONAL AND COMMUNITY SERVICE ACT OF 1990

* * * * * * *

TITLE I—NATIONAL AND COMMUNITY SERVICE STATE GRANT PROGRAM

* * * * * * *

Subtitle F—Administrative Provisions

SEC. 177. NONDUPLICATION AND NONDISPLACEMENT.

(a) * * *

* * * * * * *

(d) Treatment of Benefits.—Section 142(b) of the [Job Training Partnership Act] *Employment, Training, and Literacy Enhancement Act* shall apply to the projects conducted under this title as such projects were conducted under the [Job Training Partnership Act] *Employment, Training, and Literacy Enhancement Act*.

* * * * * * *

Subtitle H—Investment for Quality and Innovation

* * * * * * *

SEC. 198C. MILITARY INSTALLATION CONVERSION DEMONSTRATION PROGRAMS.

(a) * * *

(b) Definitions.—As used in this section:

(1) Affected military installation.—The term "affected military installation" means [a military installation described in section 325(e)(1) of the Job Training Partnership Act (29 U.S.C. 1662d(e)(1)).] *a military installation being closed or realigned under—*

(A) the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note); and

(B) title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).

* * * * * * *

(e) PARTICIPANTS.—

(1) ELIGIBILITY.—A person shall be eligible to be selected as a participant in a project carried out through a demonstration program if the person is—

(A) an economically disadvantaged individual; and

(B)(i) a person described in section 153(b);

(ii) a youth described in section 154(a); or

[(iii) an eligible youth described in section 423 of the Job Training Partnership Act (29 U.S.C. 1693).]

(iii) an at-risk youth (as defined in section 4 of the Employment, Training, and Literacy Enhancement Act).

* * * * * * *

Subtitle I—American Conservation and Youth Service Corps

* * * * * * *

SEC. 199L. JOINT PROGRAMS.

(a) DEVELOPMENT.—The Corporation may develop, in cooperation with the heads of other Federal agencies, regulations designed to permit, where appropriate, joint programs in which activities supported with assistance made available under this subtitle are coordinated with activities supported with assistance made available under programs administered by the heads of such agencies (including [the Job Training Partnership Act (29 U.S.C. 1501 et seq.)] *the Employment, Training, and Literacy Enhancement Act*).

* * * * * * *

CRANSTON-GONZALEZ NATIONAL AFFORDABLE HOUSING ACT

* * * * * * *

TITLE IV—HOMEOWNERSHIP AND OPPORTUNITY FOR PEOPLE EVERYWHERE PROGRAMS

* * * * * * *

Subtitle D—HOPE for Youth: Youthbuild

* * * * * * *

SEC. 454. IMPLEMENTATION GRANTS.

(a) * * *

* * * * * * *

(c) APPLICATION.—

(1) FORM AND PROCEDURE.—An application for an implementation grant shall be submitted by an applicant in such form and in accordance with such procedures as the Secretary shall establish.

(2) MINIMUM REQUIREMENTS.—The Secretary shall require that an application contain at a minimum—

(A) * * *

* * * * * * *

(H) a description of how the proposed program will be coordinated with other Federal, State, and local activities and activities conducted by Indian tribes, including vocational, adult and bilingual education programs, job training provided with funds available under [the Job Training Partnership Act] *the Employment, Training, and Literacy Enhancement Act* and the Family Support Act of 1988, and housing and community development programs, including programs that receive assistance under section 106 of the Housing and Community Development Act of 1974;

* * * * * * *

(M) a description of the commitments for any additional resources to be made available to the program from the applicant, from recipients of other Federal, State or local housing and community development assistance who will sponsor any part of the construction, rehabilitation, operation and maintenance, or other housing and community development activities undertaken as part of the program, or from other Federal, State or local activities and activities conducted by Indian tribes, including, but not limited to, vocational, adult and bilingual education programs, and job training provided with funds available under [the Job Training Partnership Act] *the Employment, Training, and Literacy Enhancement Act* and the Family Support Act of 1988;

* * * * * * *

(d) SELECTION CRITERIA.—The Secretary shall establish selection criteria for assistance under this section, which shall include—

(1) the qualifications or potential capabilities of the applicant;

* * * * * * *

(7) the commitment of other resources to the program by the applicant and by recipients of other Federal, State or local housing and community development assistance who will sponsor any part of the construction, rehabilitation, operation and maintenance, or other housing and community development activities undertaken as part of the program, or by other Federal, State or local activities and activities conducted by Indian tribes, including, but not limited to, vocational, adult and bilin-

gual education programs, and job training provided with funds available under [the Job Training Partnership Act] *the Employment, Training, and Literacy Enhancement Act* and the Family Support Act of 1988; and

* * * * * * *

SEC. 456. ADDITIONAL PROGRAM REQUIREMENTS.

(a) * * *

* * * * * * *

(e) WAGES, LABOR STANDARDS, AND NONDISCRIMINATION.—To the extent consistent with the provisions of this subtitle, sections 142, 143 and 167 of [the Job Training Partnership Act] *the Employment, Training, and Literacy Enhancement Act*, relating to wages and benefits, labor standards, and nondiscrimination, shall apply to the programs conducted under this subtitle as if such programs were conducted under [the Job Training Partnership Act] *the Employment, Training, and Literacy Enhancement Act*. This section may not be construed to prevent a recipient of a grant under this subtitle from using funds from non-Federal sources to increase wages and benefits under such programs, if appropriate.

* * * * * * *

SECTION 31113 OF THE VIOLENT CRIME CONTROL AND LAW ENFORCEMENT ACT OF 1994

SEC. 31113. APPROVAL OF APPLICATIONS.

(a) IN GENERAL.—In evaluating applications submitted under section 31112(b)(2)(B), the Secretary shall ensure that—

(1) * * *

* * * * * * *

(4) the applicant community development corporation will target job opportunities that arise from revolving loan fund investments under this chapter so that 75 percent of the jobs retained or created under such investments are provided to—

(A) * * *

* * * * * * *

(C) individuals who are participating or have participated in job training programs authorized under the Job Training Partnership Act (29 U.S.C. 1501 et seq.), *title II, III, or IV of the Employment, Training, and Literacy Enhancement Act,* or the Family Support Act of 1988 (Public Law 100–485);

* * * * * * *

PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996

* * * * * * *

TITLE IV—RESTRICTING WELFARE AND PUBLIC BENEFITS FOR ALIENS

* * * * * * *

Subtitle A—Eligibility for Federal Benefits

* * * * * * *

SEC. 403. FIVE-YEAR LIMITED ELIGIBILITY OF QUALIFIED ALIENS FOR FEDERAL MEANS-TESTED PUBLIC BENEFIT.

(a) * * *

* * * * * * *

(c) APPLICATION OF TERM FEDERAL MEANS-TESTED PUBLIC BENEFIT.—

(1) * * *

(2) Assistance and benefits under this paragraph are as follows:

(A) * * *

* * * * * * *

(K) Benefits under the [Job Training Partnership Act] *Employment, Training, and Literacy Enhancement Act.*

* * * * * * *

Subtitle C—Attribution of Income and Affidavits of Support

* * * * * * *

SEC. 423. REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT.

(a) * * *

* * * * * * *

(d) BENEFITS NOT SUBJECT TO REIMBURSEMENT.—Requirements for reimbursement by a sponsor for benefits provided to a sponsored alien pursuant to an affidavit of support under section 213A of the Immigration and Nationality Act shall not apply with respect to the following:

(1) * * *

* * * * * * *

(11) Benefits under the [Job Training Partnership Act] *Employment, Training, and Literacy Enhancement Act.*

* * * * * * *

HELEN KELLER NATIONAL CENTER ACT

TITLE II—REAUTHORIZATION OF THE HELEN KELLER NATIONAL CENTER FOR DEAF-BLIND YOUTHS AND ADULTS

SHORT TITLE

SEC. 201. This title may be cited as the "Helen Keller National Center Act".

* * * * * * *

AUTHORIZATION OF APPROPRIATIONS

SEC. 205. (a) There are authorized to be appropriated to carry out the provisions of this title such sums as may be necessary for each of the fiscal years **[**1993 through 1997**]** *1998, 1999, and 2000*. Such sums shall remain available until expended.

* * * * * * *

SEC. 208. HELEN KELLER NATIONAL CENTER FEDERAL ENDOWMENT PROGRAM.

(a) * * *

* * * * * * *

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, such sums as may be necessary for each of the fiscal years **[**1993 through 1997**]** *1998, 1999, and 2000*. Such sums shall remain available until expended.

ADDITIONAL VIEWS OF MAJOR R. OWENS, MATTHEW MARTINEZ, DONALD M. PAYNE, AND CAROLYN MCCARTHY

There is a consensus about the need for reform of the nation's Federal adult and youth job training system. This year's development of a comprehensive job training bill represents a marked improvement over the 104th Congress' very problematic "CAREERS Act" (H.R. 1617). In the spirit of bipartisanship, H.R. 1385, as reported out of committee, is definitely a move in the right direction. However, there are several outstanding concerns that would inhibit the true intent of our Depression-era commitment to ensure that the most vulnerable and disadvantaged citizens receive adequate training and employment-related services. It is encouraging that Rep. McKeon, Rep. Goodling and Rep. Kildee were able to fashion legislation that is acceptable to Members on both sides of the aisle who represent a cross-section of the American populace. Accordingly, we are hopeful that several of the following constructive modifications will be included in the Manager's Amendment.

SUMMER YOUTH EMPLOYMENT PROGRAM

In essence, there is no requirement under H.R. 1385 that the current Summer Youth Employment Program (SYEP) remain in existence. H.R. 1385 would consolidate SYEP into an overall block grant for Disadvantaged Youth Employment and Training; moreover, this bill would dramatically change the current method of allocating funds to local areas. According to current law, after States receive their SYEP funding, the State must allocate funding to local areas based on the following three-part formula: percentage of unemployed in the local area, percentage of excess unemployed in the local area, and percentage of economically disadvantaged. H.R. 1385 would allow the Governor and the State legislature to exercise discretion in the allocation of funding to local areas. While the current categories would still be "taken into account" by the Governor, there would be no assurances that SYEP funds exist at all, and that any funds would be allocated to the areas with the greatest need. At the very least, a separate funding stream for the Summer Youth Employment Program must be created and need-based targeting must be a part of the intrastate formula as stipulated in current law. (H.R. 1385 would ensure the viability of the Dislocated Workers Program by creating a separate category that protects its funding. Similar provisions should be made for SYEP.)

Of the four million income-eligible youth ages sixteen to twenty one, approximately 15% are able to participate in SYEP. Given this, it is reasonable to suggest that limited Federal resources should be directed to those areas which exhibit the greatest need. SYEP is a successful program that provides jobs for disadvantaged young people for several weeks during the summer months. Cities that are plagued by gross unemployment, abject poverty, and a pervasive feeling of hopelessness, welcome wholeheartedly the relief provided by SYEP. A summer job represents a glimmer of hope to the nearly 600,000 children who participate in the Program.

Unequivocally, the Program must be a required activity and the Federally driven within-State formula is crucial. Complete discretion by the State would be a mistake. An amendment will be offered on the floor to maintain current law regarding the intrastate formula and a requirement that the Program be specifically authorized. The effect would be to preserve the Program and to target funds to those areas that most need it. While fiscal constraints preclude 100% participation in SYEP, at least we ought to ensure that children in those areas that exhibit the greatest need are protected.

COMPREHENSIVE SYSTEM OF PROFESSIONAL DEVELOPMENT

H.R. 1385 would jeopardize the vocational rehabilitation program by weakening the comprehensive system for the professional development section of the State plan's requirements. H.R. 1385 is intended to improve services to vocational rehabilitation clients. We are deeply concerned, however, that changes made to certain provisions of the Rehabilitation Act of 1973 would negate these improvements.

Thoroughly trained vocational rehabilitation counselors are essential to the success of the vocational rehabilitation program. Current law requires that states document how they will coordinate efforts with institutions of higher education and professional associations to ensure an adequate supply of qualified vocational rehabilitation professionals, including personnel who are minorities and personnel who are individuals with disabilities. A 1993 Rehabilitation Services Administration report shows that this provision of the Act has been effective in ensuring that minorities and people with disabilities are represented in the vocational rehabilitation profession. Current estimates show the percentage of African American rehabilitation counselors is equal to African American representation in the general population. Twenty-three percent of current rehabilitation counselors are individuals with disabilities. This is nearly 10% above their representation in the general population. It is clear that this provision of current law is effective.

H.R. 1385 would remove this important provision from current law. An amendment may be offered to reinstate this requirement. This amendment should be included in H.R. 1385 if we are truly serious about improving the vocational rehabilitation program.

CLOSURE OF JOB CORPS CENTERS

Bill sponsors are to be further applauded by the decision to maintain the Federal Government's purview over the Job Corps Program which is run by only 111 centers nationwide. We are hopeful that Chairman Goodling, as well as the full House of Representatives, will adopt an amendment which would allow all Americans the opportunity to have their voices heard regarding the possible loss of any of these invaluable Job Corps Centers.

The Job Corps Program, despite its successes, is grossly under funded. The 111 Job Corps centers currently serve a mere 9% of the more than 1.1 million youth who are eligible participants. All of these centers are at 100% capacity. The latest available data depict a far more troubling situation for most States. In New York State only 3.9% of the 74,762 eligible youth participated; in California 2.8% of the 151,053 eligible youth participated; in New Jersey 2.9% of the 27,077 eligible youth participated; in Pennsylvania 7.4% of the 42,002 eligible youth participated; and in Tennessee 3.3% of the 28,280 eligible youth participated.

These statistics confirm that there are too few centers in operation today. Thus, it is very important that if one of these scarce centers is slated for closure, the final decision must be closely scrutinized. Under current law, the Secretary of Labor may close a Job Corps Center at his/her discretion in conjunction with the center operator. Out of courtesy, the Secretary usually notifies Members of Congress about the decision to close a site. However, certain steps should be taken to ensure that the public and the individuals they elect to represent them in Washington are notified prior to the development of a final decision.

PROVISION OF TRANSPORTATION

Training in the use of public mass transportation systems should be part of the scope of services available to vocational rehabilitation clients. I welcome the support of my colleague from New York, Representative McCarthy, for an amendment to H.R. 1385 to include this cost-saving measure.

People being served by vocational rehabilitation programs should have access to travel training services as part of their individual rehabilitation plans. Familiarizing clients with public transportation would help clients enter or reenter the job market and reduce the degree to which they will rely on more expensive paratransit systems. According to the Federal Transit Administration, nationwide the average fare for fixed route trips on public transportation is approximately $2.60, while the average for paratransit services is $15. Moreover, the typical government subsidy for public transportation covers $1.60 of that fare, while the typical government subsidy for paratransit services is $13. Including this simple provision in H.R. 1385 would save millions of Federal, State, and local dollars and significantly improve the lives of many vocational rehabilitation clients.

MAKING H.R. 1385 WORK FOR THOSE IN NEED

The cyclical relationship between poverty and dependence on the Federal Government has been well documented. An under-resourced public school system and insufficient employment opportunities make both adults and youth susceptible to an inability to become full and productive, tax-paying citizens.

Congress cannot haphazardly relinquish Federal protections and leave children, women and men without the opportunities or the skills needed to attain a minimal standard of living. We must invest money, scrutiny, and compassion in programs that provide our nation's impoverished citizens with the tools necessary to end any unintended dependence on public assistance. With the above-referenced changes, we are confident that H.R. 1385 would represent a fair approach to address the needs of individuals with disabilities, low-income youth, and displaced and unemployed adults.

MAJOR R. OWENS.
MATHEW G. MARTINEZ.
DONALD M. PAYNE.
CAROLYN MCCARTHY.

ADDITIONAL VIEWS

The Committee-reported bill reflects broad bipartisan agreement. The bill streamlines and integrates job training and employment programs; creates a single system for adults through full-service training and employment centers; provides for the maintenance of the federal investment in employment and training programs; and includes a separate funding stream for dislocated workers, not only protecting current resources, but maintaining the ability to request increased funding based the needs of this targeted population.

It puts training resources into the hands of adults so they can choose the training that best meets their needs. Through the creation of a consumer report system which would include annual information from all education and training providers, it promotes informed choice. It organizes Federal training programs for disadvantaged youth within school-to-work concepts. It ensures strong accountability to taxpayers by establishing high standards and linking incentives and sanctions to State and local performance. It ensures a strong local role in the design and oversight of workforce development systems and makes the private sector a full partner.

While we agree with these and other features of the Committee bill, we also have some concerns about specific provisions.

Summer Youth Jobs.—We are concerned that the Committee bill does not ensure that the summer jobs program is continued at a comparable funding level to the President's FY 1998 budget request under a reformed system. We are pleased that the summer program would be connected to what a young person learns during the school year, but this will be of little value to hundreds of thousands of economically disadvantaged youth if we do not ensure that summer job opportunities are made available.

The summer jobs program is particularly critical to minority youth. As estimated third of summer jobs held by African-American youth and a fourth of summer jobs held by Hispanic youth come from the summer jobs program.

For many youth, the summer jobs program is their first opportunity to work and their first critical step in learning the work ethic. Studies by Westat, Inc., and the Department of Labor's Office of the Inspector General both reported very positive findings, concluding that work sites are well-supervised and disciplined, that jobs are real, not make-work, that the education component teaches students new skills they can apply in school, and that students learn the value of work. We believe that the summer youth employment program meets performance expectations. This legislation needs to ensure that each local area has a summer jobs program for at-risk youth.

Disadvantaged Out-of-School Youth.—As reported by the Committee, the bill establishes an employment and training opportunities grant to help at-risk youth—both out-of-school and students on the verge of dropping out—acquire the skills and knowledge to begin productive careers, further their training, and become responsible citizens. It is critical to ensure that the youth program effectively target services to out-of-school youth. JTPA has been one of the few programs that serve this population. Many inner-city neighborhoods have rates of employment that are less than 50 percent, and school dropout rates in these areas can exceed 60 percent. We were pleased that the Committee accepted Mr. Payne's amendment that results in targeting 10 percent of the total funds allocated to a State under the disadvantaged youth grant to programs that serve out-of-school youth. This amendment will provide a strong incentive for states to serve this population. This is one of the only pieces of legislation that serves out-of-school youth and it is critical that we provide these young people with a chance for a successful future. By a conservative estimate, the average high school dropout costs taxpayers almost $70,000 in lost taxes and costs each school dropout about $230,000 in forgone income. We do not believe that the disadvantaged youth employment and training opportunities grant goes far enough in ensuring services for out-of-school youth.

We also appreciate the Committee's agreement to authorize under title IV the use of resources to target services to out-of-school youth living in empowerment zones and enterprise communities. The Administration's out-of-school youth opportunities areas proposal is intended to boost the employment rate of out-of-school youth in these areas to levels commensurate with that in non-poor communities. We are concerned that the lack of a specific resource commitment in this legislation weakens the potential for this program.

Local Board Composition.—We agree with the committee that local workforce development boards must have a strong role in planning and overseeing the performance of the full-service training and employment system. However, we are concerned that organized labor representation would no longer be assured on the boards that make decisions affecting the local and regional workforce.

Welfare-to-Work.—We believe that the Committee bill begins to address the need to ensure the successful implementation of the welfare reform legislation. Job training and employment programs must continue to play a vital role in this effort. It is important to keep in mind that emerging full-service training and employment systems need to integrate welfare recipients into the mainstream labor market—rather than segregating them and stigmatizing them and pitting them against others for resources. The bill would provide a priority for welfare recipients in adult training and inten-

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sive services. The strong connections in this new workforce development system between local boards with business majorities, local chief elected officials, Governors, and State legislatures should enhance the employment and training opportunities for welfare recipients. As Members of the Committee on Education and the Workforce, we intend to stress linkages with the local full-service training and employment delivery system in the coming months as welfare-to-work legislation is developed, with the objective of helping welfare recipients obtain and keep jobs.

William L. Clay.
Dale E. Kildee.
Carolyn McCarthy.
George Miller.
Matthew G. Martinez.
Donald M. Payne.
Carlos Romero-Barceló.
John F. Tierney.
Loretta Sanchez.

DISSENTING VIEW

I. INTRODUCTION

Congress is once again attempting to repair the broken system of federal job training. The major federal role in job training dates back to 1962, with President Kennedy's Manpower Development and Training Act (MDA) and continuing though the Economic Opportunity Act of 1964, passed as part of President Johnson's Great Society. Consistent with the Great Society philosophy that the federal government had the solution to all problems, these bills centralized job training authority in Washington.

Soon, however, concerns arose that federal job training programs were rife with waste and abuse. Congress, therefore, began trying to repair some of the inefficiencies in the job-training program. First, in 1973, Congress, with the support of the Nixon Administration, passed the Comprehensive Employment and Training Act (CETA). CETA was designed to decentralize federal job training programs. Congress next addressed job training in 1982, with the passage of the Job Training and Partnership Act (JTPA), which promised to turn federal job-training into a public-private "partnership" that would operate more "efficiently" than the three major job-training bills that had previously passed the Congress and failed to accomplish their stated goals.

After thirty years of federal involvement and two major legislative overhauls, there are now over 160 federal programs dedicated to job training. The federal government spent approximately $4.5 billion on just JTPA in 1997. However, the US Congress cannot measure whether or not they are getting a good return on their investment though most federal agencies do not even know if their programs are helping people find jobs.

Therefore, Congress is once again attempting to repair the federal job training systems. However, despite the abundant evidence of the failure of the centralized welfare state model of job-training programs, this Congress is planning to continue dictating to all 50 states the composition, content, function and even the goals and benchmarks of job training programs. The Employment Training and Literacy Act of 1997 (H.R. 1385), tampers with the constitutional principle of federalism and devolving power to the states. However, HR 1385 redefines the very notion of federalism to mean that states, localities, and individual citizens are given limited flexibility and control over how they fulfill the federal government's mandates.

II. H.R. 1385 INTERFERES WITH STATE'S AUTONOMY AND FORCES TAXPAYERS TO SUBSIDIZE BENEFITS FOR SELECT BUSINESSES AND EMPLOYEES IN VIOLATION OF THE US CONSTITUTION

Unlike the "mandate federalism" embodied in H.R. 1385, the federalism embodied in the United States Constitution allows for no federal role in job training, or education generally. In fact, the tenth amendment, which reserves the authority for carrying out functions not explicitly granted to the federal government, to the states and the people, forbids federal education programs. Yet, as demonstrated below, H.R. 1385 continues the unconstitutional centralization of education program for the benefit of certain members of society at the expense of the mass of American taxpayers.

Under H.R. 1385 states must provide a three-year plan for Adult Job Training and Literacy programs in order to receive federal job-training funds. These plans must satisfy federally-specified content and must be approved by the Secretaries of both the Department of Education and the Department of Labor.

Additionally, states are required to establish "local workforce development boards" whose functions and composition are dictated by the federal law. Furthermore, the boards must meet benchmarks identified by the governor's in "negotiation" with the schools, the local boards do not even have the authority to determine how their performance should be measured. Rather progress under this bill measure by predetermined federal "core indicators."

Under H.R. 1385, the "local workforce development boards" would be dominated by representatives of the business community. Certainly the input of the business community is important for job training. However, a federal mandate that representatives of business dominate the job-training boards may provide a means for business to socialize or externalize their training costs. Those businesses which will achieve a direct benefit from a more highly-skilled workforce should be the ones to finance such programs. Individuals who will benefit from improving their skills could also choose to ultimately pay at least some of the cost of their training. In no instance should the individual taxpayers be forced to subsidize the job training of another person.

Not satisfied with wealth transfers to prepare those without employment for business, this bill provides training for "skills upgrading" for "incumbent workers" (those already employed). Despite a budget billions of dollars out of balance, this bill creates a new entitlement for already-employed workers and their employers to receive more training courtesy of the American taxpayer.

Businesses are not the only institutions showered with largess in this bill. Under the provisions of this bill, the Secretary of Labor is empowered to provide taxpayers dollars to labor unions to carry out "research and demonstration projects" as well as grants to "public interest groups." Credible accusations have been made that these groups have often used federal funds to advance their political agenda. At the very least, Congress should conduct a thorough investigation and take steps to prevent federal funds from being used to pay for political activity before handing out more grant monies.

III. H.R. 1385 INFRINGES ON FAMILY AND INDIVIDUAL AUTONOMY

In addition to continuing the practice of giving more federal monies to Washington, DC, this bill expands the state's reach into America's families by authorizing federal funding for "family literacy services." These "services" are to include training for parents on how to teach their children and interactive literacy activities between parents and their children.

The history of federal involvement in family literacy raises questions regarding the effectiveness of government programs to teach anything regarding child raising. From 1963 to 1993, federal spending on education increased from approximately $900,000 to over 10 billion dollars, while scores on the Scholastic Aptitude Test (SATs) dropped by an average of almost 60 points! Given the poor track record, it is doubtful whether increasing federal involvement in family literacy is likely to do anything but ensure lower rates of family literacy.

Furthermore, federal involvement in child rearing violates the very principles upon which this country was founded. In a free society, such as that bequeathed to America by the drafters of the constitution, the family, not the government, is responsible for the raising of children. State control of child raising is, in fact, one of the hallmarks of totalitarianism. Those of us concerned with expanding and preserving freedom must oppose all measures, including the legislation currently under consideration, which erode the autonomy of the family under the theory that government social workers are better able to address the needs of children than parents.

Along similar lines, the language for disadvantaged youth programs mandates the integration of "academic, occupation, and work-based learning opportunities." This is also quite objectionable. This language seems to suggest those youth diagnosed as "disadvantaged" by the social workers and psychologists will be denied a traditional education; instead "disadvantaged" youth will be herded into a state-run job training programs. Such a federally-mandated plan is in no way consistent with the core American value of individualism.

IV. H.R. 1385 ESTABLISHES A SYSTEM INCAPABLE OF ACHIEVING ITS STATED PURPOSE

This bill reaches the height of hubris in its mandate that training services be linked to ". . . occupations for which there is a demand in the local workforce development area." This provision is objectionable for two reasons.

First, because business-dominated workforce development boards will determine which occupations are in demand, it is very likely that the businesses represented on the board will be the ones determined to be those "* * * for which there is a demand in the local workforce."

Second, and more importantly, the very idea that a government board can somehow determine what occupations will be in demand at any point in the future is an example of what Nobel Laureate F.A. Hayek called "The Fatal Conceit." No central board, even one dominated by local officials and businessmen, can predict which jobs will be in demand in five, ten, or even two years. It is doubtful that a "local workforce board" in Silicon Valley in 1978 would have tried to link job training services to the personal computer market. In fact, it's highly unlikely that Steve Jobs (founder of Apple computers), would be appointed to the workforce development board in Silicon Valley. The very fact that the boards are comprised of already established leaders for business practically assures that the entrepreneurs creating the jobs of the future will not be represented on this board. In this high-tech information age, where financial and, more importantly, intellectual capital, can travel around the world in a matter of seconds, the jobs in demand in any area can change faster than any geographical local workforce board could conceivably update the skills with which to link job-training.

V. CONCLUSION

The argument is often made that state-financed job training is necessitated by the failure of the educational system to properly prepare students for the job market. Each of us can understand the frustration of employers unable to find employees capable of adapting to new technologies.

As a physician, I have employed many people in critical positions. I certainly understand the importance of having a readily available pool of skilled labor. I would question, however, whether the pool was better prior to the federal government's intrusion into education.

The private actions of individual citizens, working together in a free-market, can best build a job-training system that meets the needs of its citizens. Private individuals, local communities, and state governments are also more capable than the federal government of providing adequate help to those unable to provide for training out of their own resources, if the federal government returns to constitutional size and reduces the tax burden on American citizens.

Federal job training programs, of any sort, further the destructive idea that the proper role of the federal government is to provide for all the needs of its citizens. The belief that Congress has a moral duty to minister to the health and welfare of the populace, both of America and the world, is directly responsible for the growth of the welfare-warfare state which threatens to destroy America's economic prosperity and, as important, liberty, wholesale. Job training should be provided, like all other goods and services, by the free-market.

Congress stops the artificial debate over whether to completely centralize control over programs such as job-training, or whether to give states, communities, businesses, and individuals a limited degree of autonomy as long as they follow federal mandates. Rather, Congress must begin considering whether the Constitution provides any authorization for the federal government to have any role in programs such as job training. America's experiment with the provider state has failed. This Congress must stop draining resources from the private job-training initiatives and disrupting the operations of the greatest job-creation process known to humankind: the free market. It is time to return to the federal job-training and creating program created by the drafters of the constitution: low taxes, sound money, and a limited, constitutional government.

RON PAUL.